

EUROPEAN NEWS

EC told not to force choice between E Germany and single market 'Don't back Bonn into a corner'

By Lucy Kellaway in Brussels

EUROPEAN Community states were warned yesterday not to force West Germany to choose between unification with East Germany and progress towards a single market.

Speaking in Brussels yesterday after a meeting last week with Mr Egon Krenz, the East German leader, he said that he hoped that trade negotiations between the EC and East Germany could begin quickly.

He called for EC support for the reforms in East Germany. While that country did not need the special financial assistance being offered to Poland and Hungary, the EC could help by supplying technical information on standards and norms being devised as part of the single market.

West Germany hoists alarm signals over refugee flood

By David Marsh in Bonn

THE BONN Government's welcome yesterday for the planned easing of East German travel restrictions was tempered by worries about the impact on West Germany of further large flows of fugitives in the next few years.

The dilemma for Bonn, however, is that as long as the loss of confidence and flight of East Germans continues, the flood of refugees could cause political and economic problems in both East and West Germany.

He called for EC support for the reforms in East Germany. While that country did not need the special financial assistance being offered to Poland and Hungary, the EC could help by supplying technical information on standards and norms being devised as part of the single market.

Belgium legalises abortion

By Lucy Kellaway in Brussels

THE BELGIAN Senate yesterday overturned a 1967 Napoleonic code making it illegal for women to have abortions - leaving Ireland the only country in Europe where abortion is still illegal.

The bill, which was passed despite the ferocious opposition of the Flemish Christian Democrats, will permit abortions during the first 12 weeks of pregnancy. The present law forbids abortion unless the woman's health is in serious danger, or the unborn child is suffering an incurable disease.

Moscow parade will be low key

By Quentin Peel in Moscow

MOSCOW'S huge annual parade of military hardware through Red Square today, to celebrate the 1917 October Revolution, is expected this year to be a pale shadow of its predecessors.

The drive for disarmament by Mr Mikhail Gorbachev, the Soviet leader, and reductions in defence spending will be reflected instead in a show of weaponry which could virtually have been taken out of mothballs.



UN Environment Programme director Mustafa Tolba at the conference yesterday

Backing expected for global pollution pact

By Laura Ramm in Noordwijk

AN IMPORTANT declaration to curb the pollution that has been spotted by Western defence observers.

Protection Agency contended that the IPCC would carry forward the convention process at its conference in October 1990.

The declaration that carbon dioxide emissions should be frozen at current levels as determined by scientists, after the year 2000, should overcome the objections of some participating states, according to Mr David Trippier, UK Minister of State, Environment.

Ironically Noordwijk, which is protected from the North Sea by natural sand dunes, could be flooded if nothing is done to stop global warming. Scientists predict that sea levels could rise enough to swamp a third of the Netherlands if atmospheric temperatures keep rising at current levels over the next century.

The US, Japan and the Soviet Union have argued that more scientific evidence was needed before a political commitment was made.

Experts predict that if greenhouse gases grow at current rates, the earth's surface temperature will rise by 1.5 to 4.5 degrees Centigrade (3 to 8.0 degrees Fahrenheit) in 40 years - changing the climate at a faster rate than at the end of the Ice Age.

The two-day conference in Noordwijk, a small Dutch seaside resort, is designed to help lay the political groundwork for an international convention on climate control as early as 1992.

Warnings of such disaster have been issued by Queen Beatrix of the Netherlands, who opened yesterday's conference.

The convention process should take place within the framework of the Intergovernmental Panel on Climate Change (IPCC), a group established by UN members last year for that purpose, according to Britain and the US.

Several studies say emissions of carbon dioxide would have to be cut by 50 per cent to stabilise the earth's atmosphere.

There is more modern equipment around. They just aren't showing it, according to one Western diplomat.

Last week the Dutch Government committed itself to helping developing nations on global warming. West Germany, Switzerland, Denmark and Norway were also considering offering financial help in talks at the meeting.

The military will still dominate the day, but the lower profile it will display will be complemented by plans also downgrading the power of the state, in favour of the power of the people.

The draft declaration calls for funding through existing international organisations, such as the World Bank and the setting up of a separate fund to increase financing.

Warning to Polish reformers

By Christopher Bobinski in Warsaw

POLISH Communist leaders who are intent on giving their party a social democratic hue yesterday heard warnings from central committee members that such changes would further weaken their movement.

The party's central committee met yesterday to discuss preparations for a congress at the end of January which would see the Communist Party drop its present name and adopt a democratic framework, marking a break with Leninist rules.

Mr Mieczyslaw Rakowski, party leader, evidently wants to bring about the transformation without losing too many of the present 2m members and avoiding a split into hard-line and liberal members.

Congress delegates have yet to be elected and yesterday's meeting was seen as a prelude to the election of delegates to influence the choice of delegates.

However, it is by no means clear that the reformers, who have already notified the Socialist International of their intention to remodel their party, will have the support of a majority of the delegates. They are mindful, too, of the experience of their Hungarian colleagues, who saw many party members refuse to join a new party designed to replace the old ruling Communist movement and the re-emergence of a hardline rump.

Solchaga to maintain credit squeeze to cool economy

By Tom Burns in Madrid

MR Carlos Solchaga, who is tipped to continue as the economy supreme when Mr Felipe Gonzalez announces his new cabinet next month, yesterday pledged that Spain would maintain credit squeezing measures to cool the economy during the Socialist Party's new term of administration.

main target of trade union criticism but he promised more of the same medicine. Arguing that Spain had no option other than to pursue "an orthodox economic policy", Mr Solchaga called for greater productivity and continued reduction of labour costs.

Mr Solchaga, who steered Spain into the European Monetary System at Ptas against the D-Mark last June said the Government would do "everything possible" to maintain the peseta within its 6 per cent exchange rate band and that Spain was opposed to any realignments.

UK speaker Mr Peter Lilley, MP, financial secretary to the Treasury, split out the British Government's opposition to the EC's proposed Social Charter, to tax harmonisation and to the "premature pursuit" of European monetary union.

He also welcomed European tax harmonisation, despite the costs involved for the Spanish consumer, as a means to shift the Spanish fiscal structure towards indirect taxation and, he said, thereby stimulating household saving. Tax harmonisation, he said, would lead to lowered direct taxation in Spain.

Opposing the first policy initiative on the grounds that each EC country's citizens had "different needs and different aspirations and different capacities to meet those needs," Mr Lilley said, "it is no help to a Greek worker to give him a German minimum wage if that means his employers can no longer afford to keep him employed."

Only huge portraits of Vladimir Lenin dominate the streets of Moscow and the other major Soviet cities in preparation for the big day. But even he is under some threat in his squat granite mausoleum on Red Square, where Mr Gorbachev and the Politburo will take the salute.

Mr Lilley argued that that "an agreement on harmonising tax rates (in the EC) which differ so enormously looks inconceivable." On currency union he warned that there would be "massive but unpredictable" changes in the European economy as a result of the implementation of Stage One of the Delors report and said it is "far too early to decide now on the details of what institutional changes, if any, should be implemented after Stage One."

Only three days after the parade is over, the leader of the October Revolution will himself be removed for a classic Soviet "renouveau" in order to make sure that his embosom body is still in good condition. Officially, his body is set to be returned, and the mausoleum reopened for its daily queues of worshippers on January 15.

Mr Claudio Aranzadi, Industry Minister in the outgoing government, compared the existing model of European Monetary Union, as contained in the Delors report, to the absence of any model for European Industrial Policy.

Dr Sergei Dehov, who has been responsible for the upkeep of Lenin's corpse since 1950, and for embalming Joseph Stalin in 1953, insisted in Pravda recently that "the state of Lenin's body has been found stable and good for decades, nevertheless constant control is necessary."

He said the lack of such a model had led to considerable uncertainties in the electrical

However, the Tass news agency report on the temporary closure gave just the glimmer of a hint of an alternative possibility.

Mr Solchaga said the credit squeeze introduced in the first part of this year as Spain's fast growing economy showed signs of overheating was showing "good results" but he argued that in order to consolidate its effect on the economy there should be "continued tutelage of money supply for the greater part of 1990."

During the Congress of People's Deputies earlier this year, one radical member denounced the Lenin Mausoleum as a "Stalinist monument" to the Father of the Revolution. He urged the Congress to allow Lenin to be reburied beside his mother, as he had wished in his final testament.

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EUROPEAN NEWS

Greek impasse compounded by ailing economy

By Karin Hopf in Athens

WHILE GREECE'S political leaders probe for a solution to the stalemate caused by Sunday's inconclusive election, a set of serious economic problems is being left on hold.

The main issue is a mounting budget deficit which is likely to reach Dr2 trillion (\$12.8bn) this year, or nearly 23 per cent of gross domestic product, resulting mainly from the former Socialist Government's over-optimistic forecast for revenues.

It is compounded by the rapidly increasing current account deficit expected to total at least \$2.2bn for 1989 according to official estimates, and inflation of 14 per cent, still by far the highest in the European Community.

Next year's budget should be presented to Parliament at the beginning of December, according to the constitution. If it is delayed and government ministries receive interim credits on a hand-to-mouth basis, it will become considerably more difficult for public sector spending cuts to be applied intelligently.

The conservatives' programme called for lopping some \$397m off next year's budget, reducing the number of public sector employees and privatising some chronically

indebted state corporations.

Although the Socialists and the Communist-led Left Alliance are less specific about plans to reform the economy, Greek bankers feel there is now a general consensus that the deficit must be tackled. Despite the turbulent politics of the past 18 months, Greece has had few problems refinancing foreign loans at more favourable rates in recent months. This year's foreign borrowing requirement of \$1.9bn has already been raised.

While a temporary Conservative-Communist coalition held power over the summer, Greece quietly raised \$300m, mostly in private placements with Japanese, US and Dutch banks to complete the requirement.

Foreign exchange reserves are currently estimated at \$2.5bn and overall foreign debt hovers around \$28bn, according to Bank of Greece officials.

Next year's borrowing requirement will rise to \$2.1bn as Greece starts repaying an EC special loan dating from 1985. But even if political uncertainty continues, there seems little likelihood of interest rates rising more than three eighths of a percentage point above Libor.

Ever-ready Papandreou draws on his staying power

Bruce Clarke examines the changing fortunes of Greece's ageing politicians as they struggle for office

IN THE mid-sixties, when Greece was lurching through the prolonged political crisis which culminated in a military coup, one ambitious young member of Prime Minister George Papandreou's centrist party developed a deep dislike of another. Andreas Mitsotakis, who had returned to Greece after cutting short his career in the US as an economics professor, raged against Constantine Mitsotakis for leading a parliamentary revolt against his father and stripping the Government of its majority.

By a curious twist of fate the protégés in this 25-year-old feud — both in their early twenties — now face each other again in the political arena in a contest neither can easily win outright, though each can spoil the other's chances.

Mr Papandreou and his conservative opponent are remarkable survivors. Mr Mitsotakis, a Cretan who studied law but took up journalism and politics in his twenties, has never quite managed to shake off his 1960s reputation as an opportunist.

He has, however, convincingly refuted attempts by Mr Papandreou's socialist party to cast a slur over his record as a resistance fighter during the Nazi occupation of Crete.

He is only a few months more senior than Mr Papandreou, but Mr Mitsotakis belongs to an older generation of Greek politicians who speak better French and German than English and whose

approach to politics is more pragmatic than ideological. A relative newcomer to the conservative camp — he only joined his New Democracy party in 1978 — he continues to prompt grumbles among some party workers who think their chances would have been better under the leadership of Mr Miliades Evert, the dynamic mayor of Athens.

But if Mr Mitsotakis' staying power looks astonishing, that of Mr Papandreou is nothing short of miraculous.

His party has increased its vote despite Mr Papandreou's serious health problems, a messy divorce and a \$300m financial scandal in which he and four ex-ministers have been indicted by Parliament.

Somewhat his complex personality continues to strike a chord among many Greeks.

By turns a charismatic orator, charming raconteur and ruthless tactician, he has given effective expression to a feeling among Greeks that they had had a raw deal from their allies; and to the feeling among rural and urbanised Greeks that they have not had their fair share of the economic cake.

It is sometimes said his preference for sides of modest ability (and in certain cases, of dubious integrity) points to personal insecurity. If so, it is a quality that enables him to articulate the rage of his countrymen at not being taken seriously abroad.

Between 1942 and 1959, as an



Airing views: Papandreou told Greeks what they wanted to hear

academic economist and then head of faculty at the University of California at Berkeley, Mr Papandreou was a mainstream liberal democrat who backed the presidential bid of Adlai Stevenson.

After his return to Greece, he moved steadily leftwards — shocked, as he put it, by the overt interference in Greek politics of American diplomats and spies. He supported Archbishop Makarios in opposing a US plan for the partition of Cyprus, and became the bete noir of the US Embassy, the royal palace and right wing elements in the army.

In April 1967 a group of colonels confirmed his worst suspicions by seizing power in a clear bid to pre-empt an election that the Papandreous, father and son, were tipped to win easily.

Ironically it was President Lyndon Johnson who (at the behest of the economist J K

Galbraith) secured Mr Papandreou's release from prison eight months later.

But in exile, first in Sweden and Canada, he adopted more and more radical positions, denouncing US complicity in the coup and calling for guerrilla warfare to overthrow the colonels.

Soon he was attacking the Soviet Union for faint-heartedness in its opposition to the United States. The traumatic events of 1974 — when the colonels fell in disgrace after their putsch against Archbishop Makarios triggered a Turkish invasion of Cyprus — unleashed a torrent of anti-Americanism to which Mr Papandreou gave expression.

Washington was blamed for condoning and fomenting the disastrous anti-Makarios coup and Turkish onslaught.

Mr Papandreou carved out a position of opposition to "American imperialism", "Turkish chauvinism" and

"foreign and domestic forces of reaction" from which he was able to denounce the post-1974 Conservative Democratic Government as unpatriotic.

As his socialist movement gathered strength, however, he subtly moderated his rhetoric — abandoning threats of wholesale nationalisation and relegating the expulsion of US bases and withdrawal from Nato to long-term aims.

As prime minister for most of the last eight years, he has arguably done more than any conservative politician to guide Greeks towards a reluctant compromise with the West.

Having let off a lot of steam in the early years of socialist rule, Mr Papandreou's supporters seem to have a clearer sense than ever of the realities binding them to the West.

Critics of the socialist leader would maintain he is as simply repudiated the benefit membership of the European Community, despite opposing Greeks bid to join in 1981.

EC funds both in the form of farm price support and infrastructural aid have poured into the Greek countryside, adding credibility to Mr Papandreou's claim to be the first prime minister for many years who really cares about the provinces.

EC membership has also boosted Greece's credit-worthiness in the commercial market, ensured access to soft loans from the European Investment Bank and once, in 1985, helped secure an emergency loan to tide Athens over a balance of

payments crisis.

In return, Mr Papandreou has guided his supporters from deep suspicion of the EC to full support for the European integration programme — with the bizarre effect that a party with a stated aim to make Greece a sovereign nation has in fact presided over a transfer of sovereignty to Brussels.

Greece's firm link to the EC is perhaps the most important reason why today's Papandreou-Mitsotakis stand-off poses no danger to democracy.

Unlike Italy, however, where EC-membership has been a source of pressure for transparent public administration, better management of public finance and a more competitive private sector, membership of the Twelve has often appeared to shield Greece from the rigors of the international market place.

The socialists' ability to practise an old-fashioned brand of agrarian populism and dispense patronage almost certainly owes something to funds from Brussels.

But this may change dramatically in years to come — if, for example, the European Commission challenges the state aid that sustains dozens of ailing industrial enterprises.

Identifying sectors, other than tourism, where Greece could compete in a integrated European market without recourse to subsidies may pose the biggest challenge for whoever emerges from the current political log-jam.

Americans and Europeans lay the foundations for a renewed relationship in the 1990s

By John Wyles

NO OTHER post-war international alliance is the subject of so many frequent, anxious check-ups as that between the US and Western Europe. Battering from trade disputes, depression induced by monetary stress and abrasions caused by political misunderstandings have frequently led to the conclusion that the patient is sickly and increasingly feeble.

Moreover, the upheavals and rapid rate of political change in the Soviet Union and Eastern Europe, together with the European Community's internal market programme, have emerged as new sources of

affliction for the relationship. The former will steadily call into question the role and purpose of Nato, while the latter is still the object of both political and business concern in the US, whose fears have become encapsulated in the catchphrase, "Fortress Europe".

Little wonder, therefore, that some thought is being given on both sides of the Atlantic to the need for a new political underpinning to the relationship in the 1990s.

Meeting behind closed doors in Washington last weekend, members of the Advisory Business Group of the America-European Community Association

(AECA) struck out ahead of the field by calling on the US administration and the European Commission to strengthen the regularity and consistency of their contacts and to use the 1962 Franco-German Treaty of Friendship and Co-Operation as their model.

Among other things, this provides for biannual meetings between heads of government and top ministers, and has spawned many, varied co-operative initiatives.

The AECA gathering of 30-odd American and European politicians and businessmen came to the conclusion that more systematic co-operation

would facilitate agreements on strategies for concluding and implementing the Uruguay Round of trade talks, including the vexed question of agricultural aids and subsidies, as well as providing a framework for a common response to East European developments.

Among other things, the discussions revealed the struggle many senior US congressmen have to understand what is happening in the Community and how its future is now seen as intimately tied up with the steady dissolution of the Soviet East European empire.

Members of the European Parliament at the meeting had

to clear away a cloud of false impressions about the so-called broadcasting directive adopted by the Community last month. In Washington, it seems, had failed to understand that the directive was not seeking to impose a legal quota on the transmission in Europe of US-produced television programmes, but merely to encourage governments to aim for a 50-50 share between US-European productions.

More understandably, since the Community nations are still working out their own responses, there is a powerful curiosity in Washington about attitudes in Europe to the po-

ssibility of German re-unification. The Euro-parliamentarians, both British and others, were agreed that the prospect could only be considered in the context of a West Germany clearly embedded in a Community moving towards political integration.

Inevitably, Britain's virtual isolation in the debate over political unity was much regretted by the Americans, who were urged by European politicians and businessmen to encourage President George Bush to seek a change of approach from Mrs Thatcher.

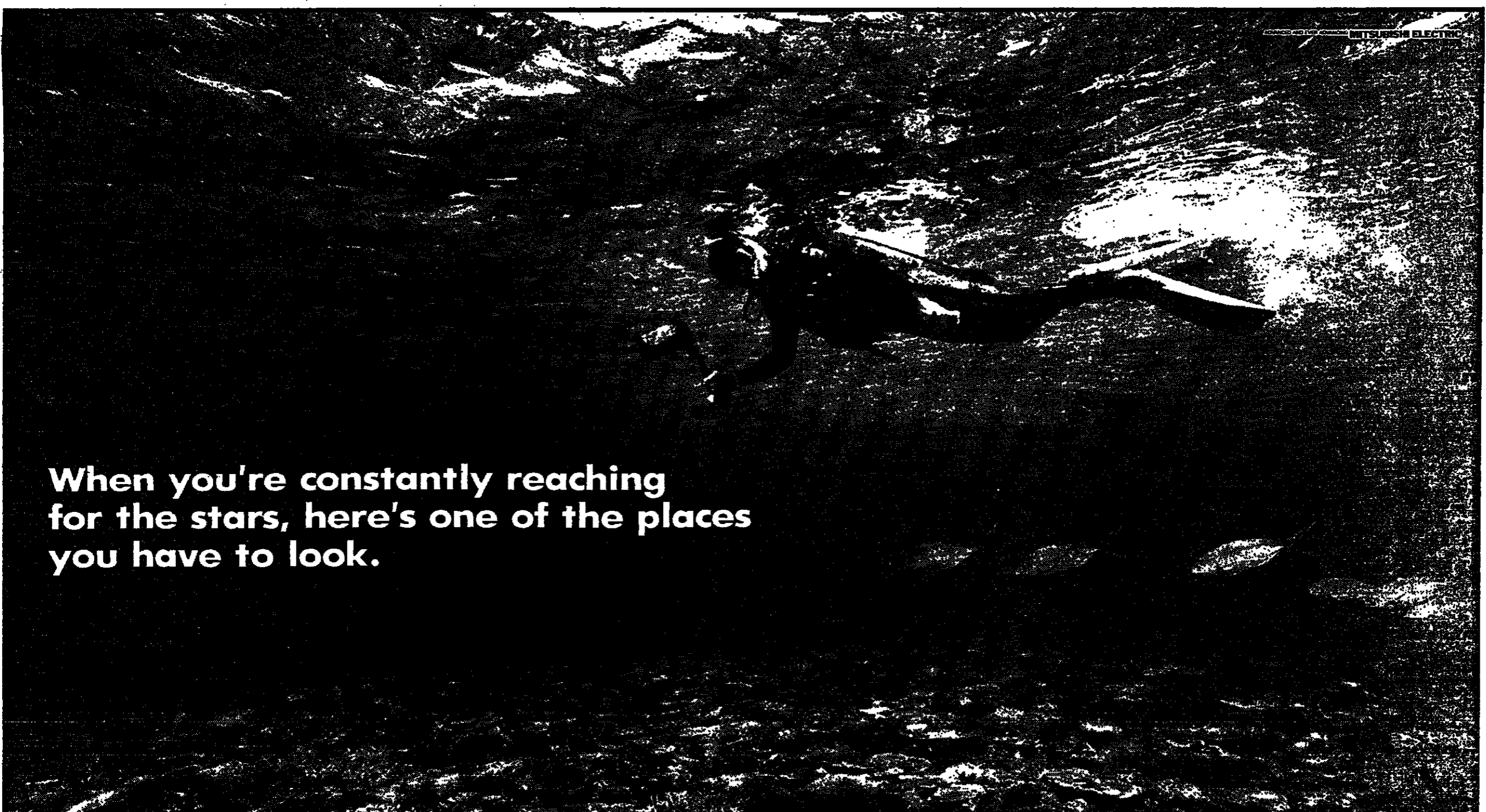
The businessmen from the worlds of engineering, telecommu-

nications and pharmaceuticals were excited by the opportunities opening up in eastern Europe but perplexed about how to exploit them in economies like those of Poland and even the Soviet Union, which lack the minimum structures, as well as culture, for developing market-oriented activities.


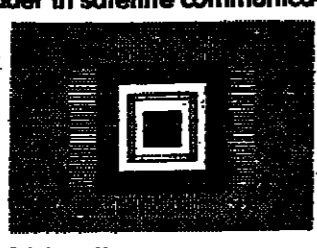
One manager from a US multinational, however, believed there was now "a window of opportunity which may never open again in our lifetimes" and urged a bold approach from the private sector aimed at showing the Eastern bloc "the ordinary fruits of capitalism".

Japan was the ghost at the table, not only throughout the discussions on trade issues but also as an instigator of a popular mood in the US which one congressman described as a sense that "American strength is slipping away".

But one influential figure from Capitol Hill lectured his colleagues on the main cause of Japan's purchase of symbolic American assets like New York's Rockefeller Centre. The responsibility, he said, lay clearly with successive administrations whose tolerance of budget and trade deficits had put a "for sale" notice on the American economy.



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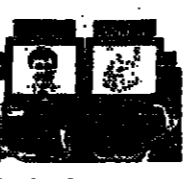

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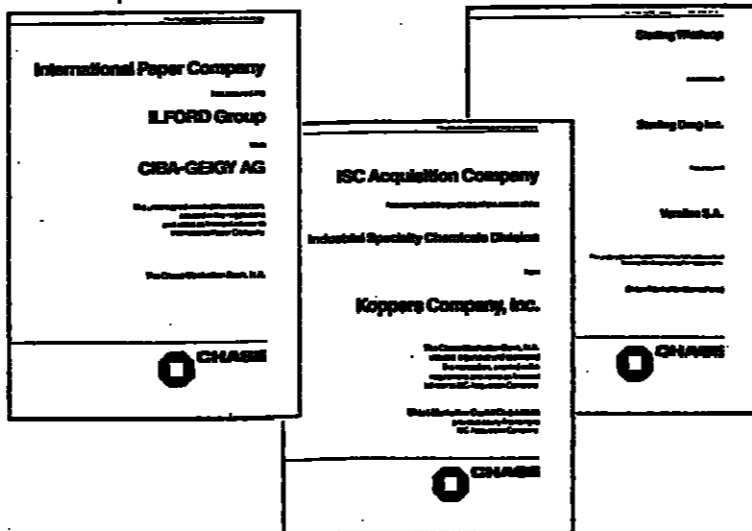
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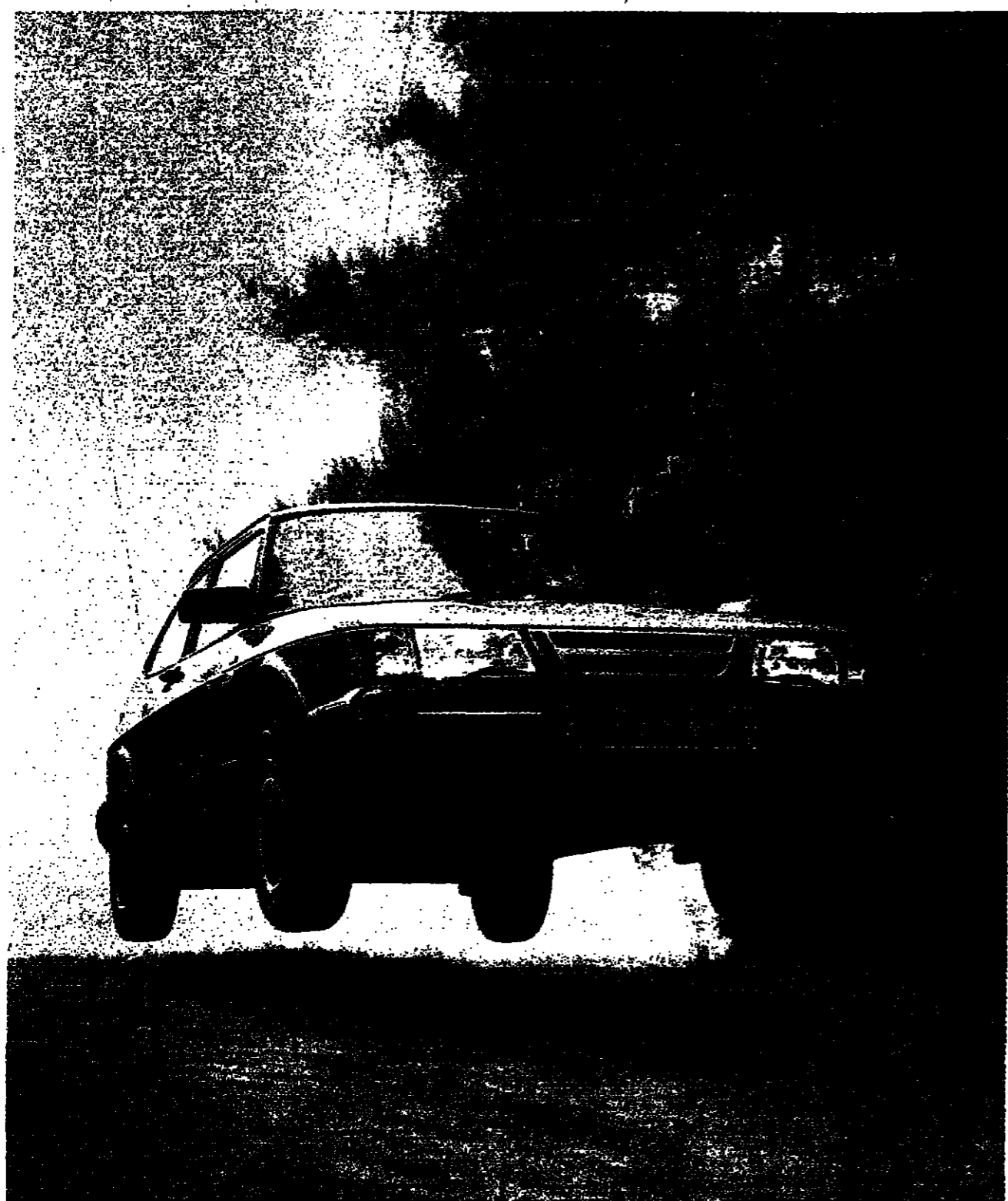
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AMERICAN NEWS

Strike continues at Boeing as pay offer is rejected

By Anstole Kaletsky in New York

STRIKING machinists at Boeing in Seattle rejected a slightly improved pay offer on Sunday night, virtually ruling out an early return to work at the world's leading aircraft maker.

Abortion, advertising and race mark US campaigns

Peter Riddell looks at the issues in today's voting

TODAY'S "off-year" elections for the governorships of Virginia and New Jersey and for control of several big cities, notably New York, have attracted attention out of all proportion to their intrinsic importance.

seeking the aid of the Rev Jesse Jackson. Indeed, victories by Mr Wilder and Mr Dinkins, together with the election this summer of Representative Bill Gray as House majority whip, would underline how an alternative black political leadership is emerging, eclipsing Mr Jackson for the time being.



Marshall Coleman, Republican candidate for the Virginia governorship, encounters a Pro-Choice Republican

you have boyfriends? Then an announcer says: "It was Douglas Wilder who introduced a bill to force rape victims aged 13 and younger to be interrogated about their private lives by lawyers for accused rapists.

Debt costs raise Mexican spending

By Richard Johns in Mexico City

THE higher cost of servicing Mexico's public debt has raised government spending to pesos 267,900bn (\$104.5bn at the current rate of exchange) for 1989.

Baker faces decision on Mideast

By Lionel Barber in Washington

MR James Baker, US Secretary of State, faces a delicate decision this week on whether to bow to Israeli demands that the Palestine Liberation Organisation be excluded, in all forms, from proposed Israeli-Palestinian elections in the occupied territories.

Candidacy disrupts Brazil poll

By Ivo Dawson in Rio de Janeiro

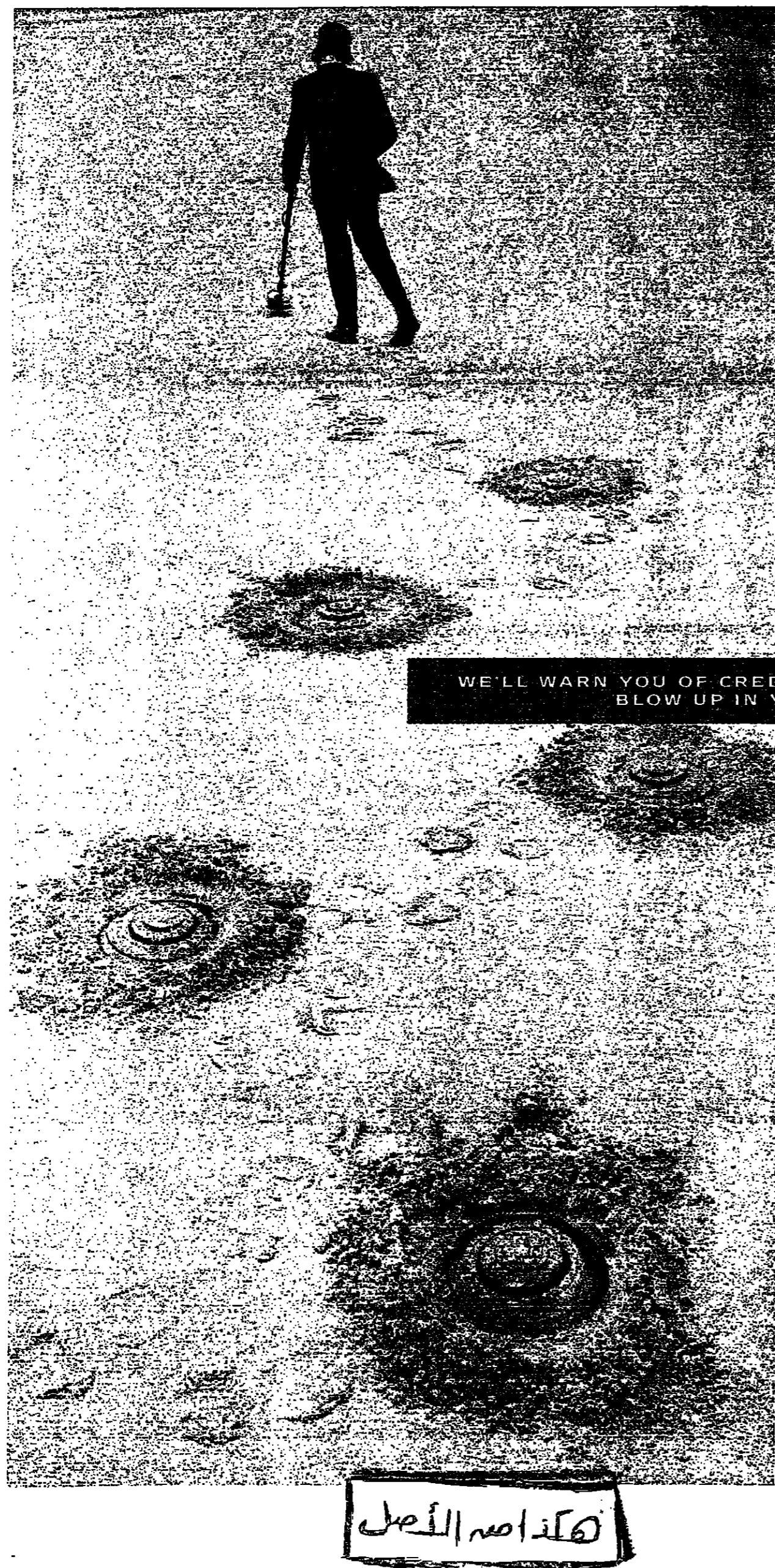
BRAZILIAN electors could vote for a new president next week still not knowing if the late candidacy of Mr Silvio Santos, the television star, will be ruled legally valid.

Estimate of earthquake's cost to insurers reduced

By Patrick Cockburn

THE cost of the Californian earthquake to the US and international insurance industry has fallen to \$860m, according to the American Insurance Services Group (AISG). This is far below the estimate of \$10bn worth of damage inflicted in the San Francisco area on October 17.

the state and Federal government. Washington has so far made \$3.18bn in appropriations for earthquake relief.



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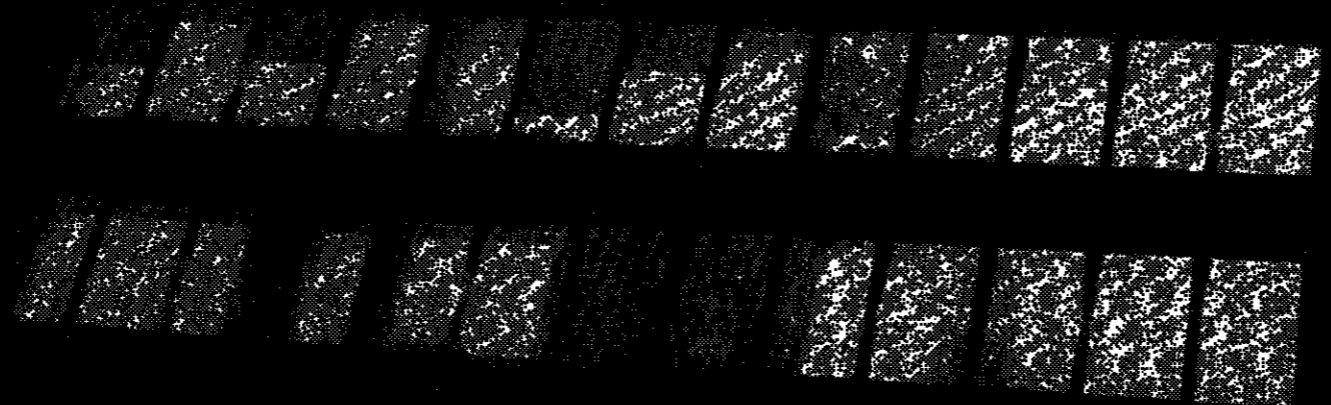
Normally, in any successful company, changes like these are occurring continually. That's why something else should be happening continually.



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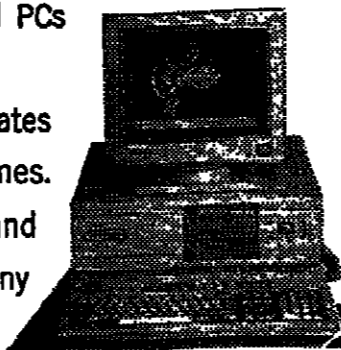
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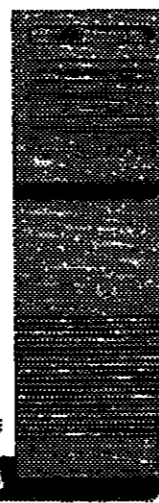
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UK NEWS

Adults in England to pay average of £278 poll tax

By Richard Evans and Michael Cassell

AN AVERAGE community charge of £278 should be paid by adults in England when the controversial replacement for domestic rates is introduced on April 1 1990, according to the Government's latest estimates. The level in Wales will be lower.

In a House of Commons statement on the amount of government grant to help pay for local authority services next year, Mr Chris Patten, Environment Secretary, said the figure would create "a benchmark" against which people could measure the efficiency of their councils.

His announcement, together with the publication of consultation papers on the introduction of the community charge, or poll tax, and the uniform business rate, was generally well-received by Conservative MPs, but several MPs continued to voice misgivings about the impact on their constituents of the poll tax safety net arrangements. These would mean that in the first year, local authorities which benefit from the community charge will pay towards those that lose. The measures are aimed at easing the initial impact of the poll tax.

Some MPs still regard the introduction of the community

charge as a high risk strategy that could do the Tories great political damage at the next election.

The statement received widespread condemnation from local authority leaders who regard the £278 figure as an unrealistic average because it is based on spending patterns which they believe will have to be exceeded.

Mr Bryan Gould, the new opposition environment secretary, claimed that the average figure was "an invention" based on misleading generalisations and false assumptions.

He said local authorities were facing a shortfall of £2.5bn in government grant and that every penny of this would have to be raised via the poll tax. The alternative was to cut back services even further.

The latest figures provide the most accurate basis yet for assessing what adults over 18 years will pay from next April, but they are still subject to adjustment according to the number of people who register to pay. Registration, according to Environment Minister Chris Patten, is "going very well."

Although ministers insist that the £278 figure will be used as a benchmark, the variation in the level of the charge is immense, ranging from £135

in Slough and £164 in Croydon to £544 in Haringey and £529 in Greenwich after the safety net is phased out.

Mr Patten warned that if high spending local authorities continued to sanction "indiscriminate" budgets, he would not hesitate to place a cap on the amount they could raise via the community charge.

His remarks reveal a different stance from that of Mr Nicholas Ridley, his predecessor, who believed that capping undermined the principle of local authority accountability to its community charge payers.

Mr Patten explained that central to the new grant system were standard spending assessments, which cover all local authority services. If a council spent so as to provide a common standard of service, then the community charge could be set at the same level in every area.

The Environment Secretary also announced that the business rate poundage for 1990-91 has been estimated at 36p, based on the most up-to-date information on the current rating revaluation. Full details of the uniform business rate, or national non-domestic rate, will be known in the next few months.

Holmes à Court to buy New Statesman

By Raymond Snoddy

MR Robert Holmes à Court, the Australian businessman and corporate raider, is in line to buy the New Statesman, the left-wing political weekly whose founders in 1913 included George Bernard Shaw.

The Perth entrepreneur who lost a fortune in property and minerals in the October 1987 world stock markets crash has made a formal offer for the magazine, which became The New Statesman and Society after its recent merger with New Society. He has a option to complete the deal before the end of the month although other groups are interested.

Mr Holmes à Court, who renounced corporate life after the 1987 market crash which saw him give up control of Bell Group, is believed to have offered £2m-£3m for full ownership of The Statesman and Nation Publishing Company. He has also undertaken to invest substantial sums in expanding the magazine.

In September the magazine, which is controlled by a private trust, made clear it was seeking either a minority shareholder or a new owner prepared to provide the investment needed to create a European weekly with "a radical left bias."

One former associate of Mr Holmes à Court said last night

that he had disguised any socialist leaning, extremely well until now, although it is believed that his wife Janet comes from a socialist background.

Mr Holmes à Court last week met the New Statesman chairman, former Labour MP Mr Philip Whitehead, the editor, Mr Stuart Weir, and Mr Pat Coyne, the chief executive. Executives from Heytesbury, Mr Holmes à Court's private company, will spend this week going through the News Statesman's books.

The board has made clear that it sought an owner who would continue the magazine's tradition and give firm guarantees of editorial independence.

Mr Holmes à Court was born in what was then Rhodesia but travelled on a British passport until recently taking Australian citizenship.

His suit has been approved in principle and talks are continuing on both the financial package and editorial guarantees.

Mr Holmes à Court, an urbane man who sees himself as an intellectual, recently bought and sold a stake in fine art auctioneers Christie's International, saved the British Theatre Association and its library and controls 12 West End theatres.

Private Eye facing £300,000 libel bill

THE long-running legal battle between Mrs Sonia Sutcliffe and the satirical magazine Private Eye ended today with the Yorkshire Ripper's estranged wife £160,000 the richer and the publication facing a bill of more than £300,000 in damages and costs.

Mrs Sutcliffe was not in the High Court to hear Private Eye agree to pay her £100,000 damages over two articles in February this year alleging she provided an alibi for her multiple-killer husband and defrauded the social security authorities.

Mrs Sutcliffe was due to renege the £200,000 damages awarded to Mrs Sutcliffe by a jury in a separate action last May. Private Eye announced it had agreed to pay her £80,000 and her legal costs in settlement of that case. Private Eye had falsely alleged that she made a £250,000 deal with a newspaper for her story.

The Court of Appeal last month quashed the £200,000 award as excessive.

Lord Donaldson, who as Master of the Rolls is Britain's most senior judge, warned that it would be wrong to interpret the figures as setting any sort of standards.

Banks to appeal in Hammersmith and Fulham swaps case

By Katharine Campbell

BANKS involved in the Hammersmith & Fulham council interest rate swap case yesterday agreed in principle to appeal against last week's High Court decision which ruled the swaps illegal.

The banks yesterday decided to await an assessment of the costs of proceeding, as well as recommendations for a possible reorganisation of the 35-member steering committee - which funded the unsuccessful defence - before formally lodging an appeal.

A total of some 70 banks are thought to be exposed to local authority interest rate swaps, all of which have apparently been deemed unlawful by the court. Together, they stand to lose up to an estimated £500m at current interest rates.

Bankers are hopeful some institutions outside the original group will now become involved, hence spreading the costs of the appeal more widely.

The banks will be contesting what they regard as an extremely narrow reading of a single section in the 1972 Local Government Act which does not specifically empower councils to conduct such transactions.

While the market had come

to realise that Hammersmith and a handful of other councils had been using these instruments excessively and primarily for speculative purposes, the authorities - including the Audit Commission and the Bank of England - as well as bankers and brokers, were relying on legal advice. This stated that councils could use swaps and related products in the course of prudent debt management - as many of them have been doing for years.

At the same time, bankers at yesterday's meeting of the steering committee called for strong representations to be made to the Government, primarily through trade groups such as the British Bankers' Association (BBA).

The BBA has written letters to the Department of the Environment (DoE), the Bank of England and the Chancellor of the Exchequer arguing that the only satisfactory solution to Wednesday's judgment lies in fresh legislation.

The DoE is still considering the complexities of the judgment and indicated that the Government would be likely to await the result of an appeal before deciding whether to come up with new legislation.

Council treasurers rue a blow to their room to manoeuvre

Rachel Johnson on reaction to the interest swaps ruling

THE complex drama that unfolded in the High Court has set the council treasurers against the bankers and brokers, left many questions unanswered and ratepayers confused. How could the treasurers have played the money markets in competition with bankers, performing "exotic" transactions, and not fail to lose? They were "speculating" with notional sums, while the professional bankers, for the most part, were carefully hedging their swaps with investments in fixed-rate government bonds.

At the local government level, few are suggesting that treasurers were unqualified to pit their financial wits against those of professional bankers.

Mr Tony Knights, the treasurer of Tory-led Kingston council, said: "Don't deduce these problems are common in local government just because one council has exceeded prudential guidelines. The rest involved are being prudent and cautious. This has to be seen in perspective."

The Audit Commission questioned the legality of the transactions, not the ability of the council officials to carry them out. "The councils will now have to unwind the transactions, it's a lesson to the other councils not to speculate," a spokeswoman said.

Treasurers have qualifications from the Chartered Institute of Public Finance and Accountancy, won over four years. A council treasurer usually has about 12 years' experience in his sector, and earns between £30,000 and £45,000 a year - much less than an equivalent job in the private sector. CIPFA considers its graduates to have the best possible qualification for managing large amounts of public money, while City bankers and brokers rarely have one at all.

"The training is very extensive," said Mr David Mortimer, division of CIPFA. Seventy per cent of those training to become financial managers are graduates of business studies or economics.

"There are no qualifications per se for swaps, but the syllabus is constantly updated to give an appreciation of these financial techniques," he says. In post-qualificational training, members can take courses in risk management and loans.

The business financial course is 25 per cent devoted to "treasury management." This includes "use of banking facilities, money markets and the impact of foreign transactions and evaluation of investment opportunities, liquidity, yield, risk."

Treasurers are insistent they are qualified to understand and participate in these sorts of trades. Some officers regard "exotic" swaps as arcane and remote, and probably only feasible in London. Mr Douglas Dawe, chief accountant at Taunton council, hours away from the City of London, with an expenditure of just £11m, is one of them. His council "satisfies itself within its revenue programme and invests any surplus with banks and building societies."

"We do not participate in those sorts of transactions. I must admit I don't know enough about them," he said.

REASURERS of the 77 local authorities which risked ratepayers' money in transactions on the swaps market were given a rap on the knuckles last week and told not to do it again. This may turn out to be the sharpest rap of all to be the sharp end of a sword.

"The credibility of local government finance as a whole has suffered," said Mr Michael Thresher, the treasurer of Taunton Deane borough council in Somerset, south-west England. He says his council has never gone in for sophisticated transactions on the London money markets. His rural borough prefers to borrow at the preferential rates offered by the Public Works Loans Board, a government fund which supplies 77 per cent of all council borrowing at interest rates of about 12 per cent.

After the High Court ruled last week that more than £5bn of the London borough of Hammersmith & Fulham were unlawful, council treasurers from Westminster to Wales are taking counsel's advice to see whether they have to unwind transactions with an underlying value of about £4bn. Some are most unwilling to do so.

Council treasurers, who work under severe restrictions on how they can raise money, say swaps are a useful way of reducing vulnerability to interest rate risk. However, they also carry dangers: some used the market to swap their fixed-rate liabilities - on which they were paying, say, 10 per cent - for floating rates, which were then significantly lower. As short-term rates rose over the last 18 months - from 7 to 15 per cent - that turned out to be an expensive mistake.

Before they started to default, local authorities were pillars of the sterling swaps market. Without the jump in interest rates, they might have continued to be, because treasurers value the swaps market for prudent risk management.

Westminster City Council in London is one authority which has made money on the swaps market. According to its treasurer, Mr David Hopkins, it has four straight swaps outstanding. "If I have to unscramble them, it will add £275,000 to the year's expenses, some of which will go on the ratepayers' bills," he said.

Mr Tony Knights, treasurer of Kingston-upon-Thames Borough, in south east London oversees a gross yearly expenditure of £100m. He said he wanted to "do swaps" at one stage, but never did.

"It is a good way to manage debt. Now councils are restricted to a straightforward repaying of loans and have limited opportunity to manage them." Treasurers are now barred from "useful" transactions - and restricted to the "cumbersome and inconvenient," says Mr Knights.

Council finance officers who do not owe vast sums on swap transactions, such as Westminster and Kingston, are thus hoping the banks' appeal to overturn the ruling will succeed.

They say the ruling has reflected poorly on local authority dealings in the money markets, and has made treasurers appear less expert and prudent than the banks.

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UK NEWS

Companies give smaller share of profits to charity

By Alan Pike, Social Affairs Correspondent

CORPORATE donations to charities have declined as a proportion of pre-tax profits, despite government attempts to increase public and business support for voluntary organisations, according to research published by the Charities Aid Foundation (CAF) yesterday.

Ministers are anxious to encourage charitable activity, but Mr Michael Brophy, director of CAF, said that "despite all the talk" its annual charity trends survey showed that individual donations remained the same last year and that "giving by companies, as a percentage of their pre-tax profits, has actually gone down."

Voluntary donations declared in the annual reports of Britain's top 400 companies declined from 0.21 per cent of pre-tax profits in 1988-89 to 0.19 per cent in 1987-88 and 0.18 per cent last year.

The CAF report contrasts this with the US, where the corporate sector donated \$2.6bn last year (excluding grants from company charitable foundations). Contributions by some American companies were as much as the social services, health and education budgets of some Third World countries.

The foundation's survey of corporate support shows that 207 of Britain's leading compa-

nies gave £142m in cash and non-cash assistance to charities and voluntary organisations last year. Direct cash contributions totalled £61m, with the remainder accounted for by secondment of staff, sponsorship, free facilities and similar forms of assistance.

These figures cannot be compared directly with the previous year because some companies do not appear in both lists. But a comparison between a matched sample of 94 companies shows that these gave total support worth £104.4m in 1988 compared with £96.9m in 1987, an increase of only 1.8 per cent in real terms.

Britain's most generous companies last year, in terms of total support for charities, were British Telecom (£11.8m), National Westminster Bank (£11.3m), Barclays Bank (£9.5m), British Petroleum (£9.5m) and British Gas (£9.5m). Medical and health charities benefited most from corporate support, followed by community improvement, education and the arts.

The survey, says the CAF, suggests that there is "still a strong commitment to the welfare state," with 82 per cent of those interviewed saying the Government should take responsibility for those unable to care for themselves.

Textile slump claims biggest victim

By Alice Rawsthorn

T. W. KEMPTON, one of the largest knitwear companies in the UK with a workforce of 1,200, has become the latest victim of the slump in the textile industry by going into receivership.

The UK textile industry has come under intense pressure in recent months because of increasing imports and sluggish consumer spending. Several companies have been forced into receivership, but Kempton, with a turnover of £25m last year, is by far the biggest business to have gone under.

Kempton, which was established in the 1920s and is still privately owned, is based in Leicester, the traditional cen-

tre of knitwear production. It also owns plants in north-east England, at Grantham and Sleaford in Lincolnshire and in Grimsby on Humberside. It makes knitted garments, such as jumpers and cardigans, mainly for the multiple retail groups.

The company has been operating at a loss for more than a year, having suffered intense pressure on output and profitability due to the increasingly competitive conditions in the knitwear market.

Kempton has attempted to cut costs. It made 100 people redundant last February and has been losing labour through unfilled vacancies for some time.

Mr Denis Kenyon, managing director, said Kempton had recognised the need to reposition itself in the market but had been unable to secure the capital needed to do so.

He said that the company could not continue in business without a fresh injection of finance. Yesterday it called in Cork Gully, the insolvency practice owned by the Coopers & Lybrand accountancy group, as administrative receivers. Kempton is still trading and Cork Gully hopes to sell the company as a going concern.

Kempton's receivership is a bitter blow for the rest of the £1.6bn knitwear industry, which is in a vulnerable state after two years of depressed

demand and increasing imports.

Other areas of textiles are also in trouble, but the problems of knitwear companies have been compounded by the fashion trend away from knitwear towards tailored clothing.

There have been more than 10,000 job losses in the knitting industry since last summer. Every area of the industry has been affected. Even the biggest groups have been forced to rationalise. Coats Vivella, for example, has reduced its knitwear workforce by more than 1,000 people.

In recent months the rate of receiverships has accelerated, although, so far, Kempton is the industry's biggest casualty.

New car registrations reach October high

By John Griffiths

NEW car registrations in the UK last month were the highest for any October on record, confounding widespread industry assumptions that a 10 per cent year-on-year drop in September heralded a long-awaited market downturn.

Statistics released by the Society of Motor Manufacturers and Traders show October registrations reached 151,514, up 2.52 per cent on a year ago. They bought the total for the first 10 months of the year to

2,070,882, the first time 2m registrations have been exceeded in such a period. This is 4.55 per cent up on last year and makes a fifth successive year of record registrations a virtual certainty.

The rate of registrations would have to drop by more than 40 per cent, compared with the final two months of last year, for the 1989 record of 2.215m units not to be exceeded.

The number of registrations

recorded is usually regarded as synonymous with sales. However, intense marketing activity by some manufacturers anxious to promote their market shares, and who have been registering some cars before they have found actual buyers, means that the true level of sales is running slightly below registrations.

Even so, industry executives last night were expressing themselves well pleased with the October outturn, particu-

larly since the level of imports fell to 56.15 per cent from 58.26 per cent the previous October - raising the hope that it might presage some slowing in the growth of the industry's balance of trade deficit.

The month was a particularly good one for Vauxhall, which saw its Cavalier model, with 11,408 registrations, coming within less than 100 units of knocking the Ford Sierra off its perch as the UK's single best-selling model.

House prices 'down by 2% in latest quarter'

By Andrew Taylor, Construction Correspondent

UK HOUSE prices fell on average by 2 per cent in the past three months despite small price rises in the north, Halifax building society said yesterday.

It said house price inflation was at its lowest level for four years.

Mortgage demand which had appeared to pick up in August and September slumped after last month's rise in bank and mortgage interest rates announced.

House prices nationally rose 7 per cent in the 12 months to

the end of October. At the beginning of this year prices were rising at annual rate of more than 30 per cent.

The decline has been due to a sharp fall in sales in southern and eastern England and the Midlands which have been hit hardest by the rise in mortgage interest rates.

Halifax, one of Britain's home loans and savings institutions, said it expected that prices over the UK as a whole would show little change over the year. A recovery was expected in 1991.

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We furthermore notify that the Subscription Price for the exercise of the Subscription Rights represented by the Warrants originally attached to the Bonds mentioned hereafter and issued by Dresdner Finance B.V., Amsterdam, according to Section 7 of the respective Conditions of Warrants shall not be reduced:

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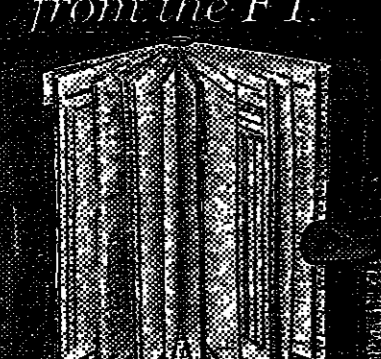
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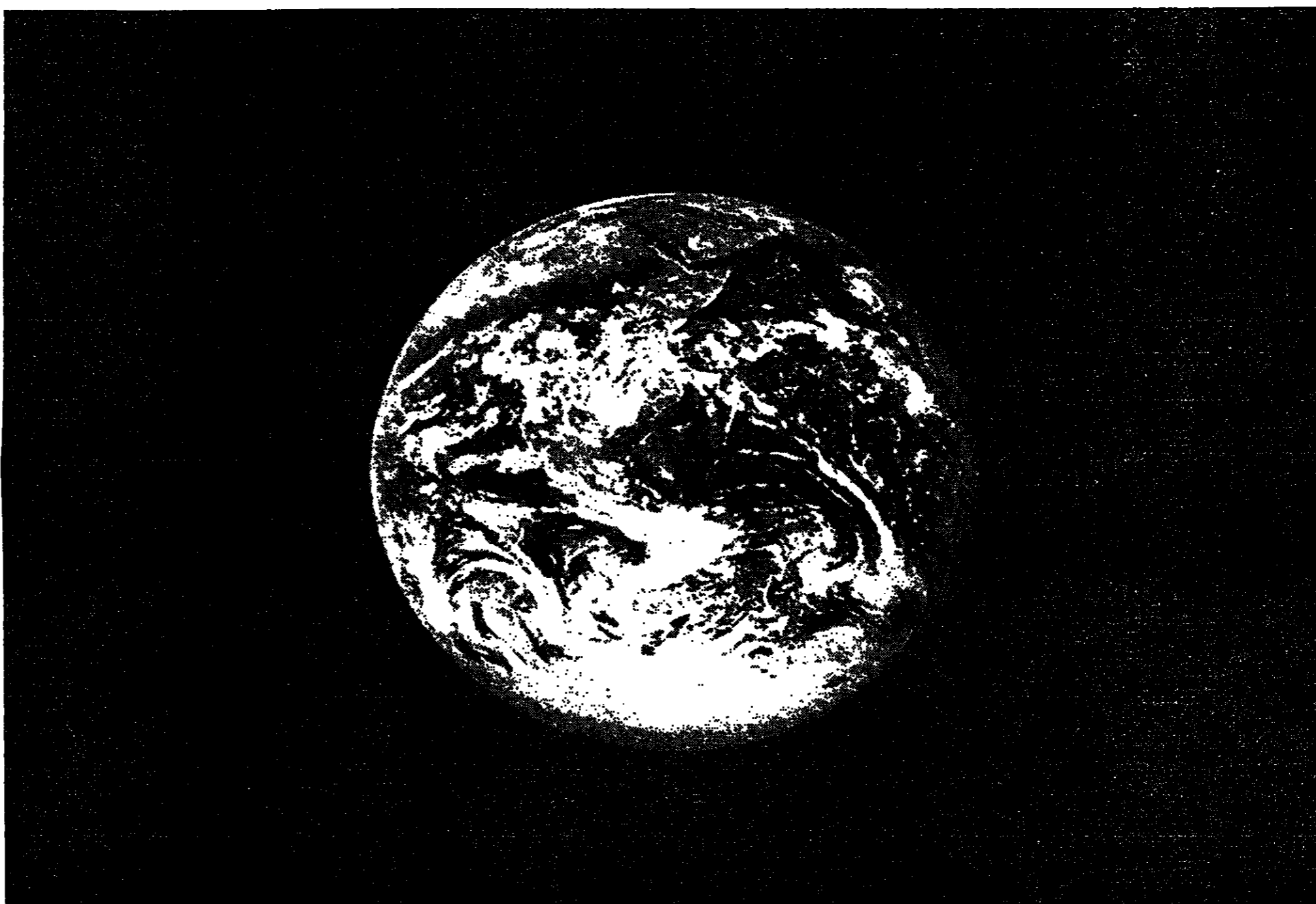
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UK NEWS

Credit slows as rates bite

By Simon Holberton, Economics Staff

FURTHER evidence that high interest rates are affecting consumers was provided yesterday with the publication of official figures showing the smallest rise in consumer borrowing since November 1986.

The Central Statistical Office (CSO) said the amount of credit outstanding rose by £101m in September compared with a rise of £363m in August.

At the same time, the CSO reported an upwards revision to September retail sales. Retail sales volume rose 0.8 per cent in September compared with August; the CSO had originally estimated a 0.4 per cent rise.

Growth in retail sales volume was 1.3 per cent higher in the three months to the end of

September compared with the same period a year ago. This is the lowest level of retail growth since June 1988.

City of London analysts said the upwards revision to September sales did not change their view that consumer spending growth was slowing but it indicated that it still remained relatively buoyant.

Mr Nigel Richardson, economist at Warburg Securities, said: "The consumer boom is over but the consumer is not dead."

The Treasury said that the figures for credit business were encouraging and provided further evidence the Government's policy of high interest rates was having its desired effect.

The Treasury also noted that quarterly figures published yesterday, which cover a broader range of consumer lending activities, showed the smallest gain for two years.

This broader definition, which includes credit advanced by banks and retailers, showed a rise in total credit to consumers of £1.2bn in the July to September period, down from £1.5bn in the April to June period. At the end of September the amount of consumer credit outstanding - on the broader definition - was \$45.9bn.

The CSO said the revised level of the index of retail sales volume in September was 122.3 (1985=100) compared with 121.6.

Catching a slow boat to a better future

Jimmy Burns discovers limited progress is being made by ethnic workers in Britain

Ms Mary Hurley emigrated to England from Barbados in 1967 and found a job clearing up dishes. Thirty-two years on, she is still clearing up dishes, in the works canteen of a London hotel, just by the fire escape.

"When I first came here I thought I was coming to the mother country. But when I arrived it was a rude awakening... the only jobs we were offered were dead-end ones," she says.

Ms Beverley Nunes was born in England in 1955, the daughter of black immigrants. After studying at a state school she won higher qualifications from the Hotel and Catering Training Board. At 24 she works at the same hotel as Ms Hurley, but for almost twice the salary, as assistant manager in the restaurant.

"Blacks are better educated these days. They see what they want and go for it... our generation and the one behind us realise you can no longer afford to sit back and let other people walk all over you," says Ms Nunes.

When she was at school, the teacher told her not to "dream of becoming an air hostess, just think of a cleaning job." Now her 15-year-old daughter is being encouraged by her teacher to be an architect.

Employers during the 1960s

and 60s gave little attention to the kind of work suitable for people like Ms Hurley. A steady supply of skilled male - mainly white - workers ensured blacks were relegated to the lower end of the labour market.

More recently, the employment position of ethnic minorities has become more complex. Apart from anything, employers are having to consider ethnic minorities in their recruitment policies as they face a sharp fall in the number of white school leavers up to 1995.

But a survey just published by the Commission for Racial Equality suggests the efforts being made by employers to improve recruitment of ethnic minorities falls short of those being made to attract and retain women.

The survey of more than 200 employers, found that while there was a high level of awareness of the CRE's Code of Practice on non-discriminatory recruitment and promotion practices, less than 4 per cent monitored their policies comprehensively.

A separate survey by the CRE earlier this year among hotel chains suggested employers were ignoring a potential source of skilled labour by focusing the recruitment of ethnic minorities mainly in low-paid, less prestigious jobs.

As she moves among the

pink table cloths and silver cutlery of the restaurant - the "front of the house" as opposed to Ms Hurley's "back of the house" canteen - Ms Nunes seems to epitomise the opportunities now open to blacks.

Yet she considers she has reached her position only against considerable odds. Her bitterness and frustration comes across more strongly than Ms Hurley's because of her raised expectations.

Before her present job, Ms Nunes had suffered a series of rejected applications and failed interviews from other potential employers. She blames this not on lack of qualifications, but on what the CRE last year called persistent and pervasive racial discrimination.

"Some employers are changing in attitude, but I went through many interviews, in which I knew they were judging me by my colour the minute I walked in through the door. I know of hotels where they treat black workers like dirt," says Ms Nunes.

Her view is shared by Mr Barney Wilson, a business studies graduate who works as hotel steward supervising contract cleaners. Mr Wilson, argues that there is still a pressing need for what he describes as a "fundamental change of attitude" among some employers.

He too has got further than

British Coal down 133,000 jobs

By Maurice Samuelson

BRITISH COAL disclosed last week that its workforce had fallen by 133,000 in the past five years, leaving only 66,000 in the mines out of a total workforce of 88,000.

Tomorrow it will announce that in the same period it has helped create 55,000 new jobs in mining areas to soften the impact of pit closures.

The claim will be made at an exhibition in London marking the fifth anniversary of British

Coal Enterprises (BCE), the corporation's job creation arm which was set up at the height of the 1984-85 miners' strike over the pit closure issue.

More closures are expected and Mr John Wakeham, Energy Secretary, will voice Government support for BCE at the exhibition. The group helps to finance new businesses from a revolving loan fund, which stands at £50m. Mr Tony Hewitt, BCE chief executive,

says that this money is likely to be recycled three times over the next five years.

However, Mr Stephen Fothergill, a university economics lecturer who directs the Campaign Coalfield Communities Campaign - representing local councils in mining areas - describes BCE's statistics as "a joke". Many of the new jobs for which BCE takes credit would have been created without its assistance, he says.

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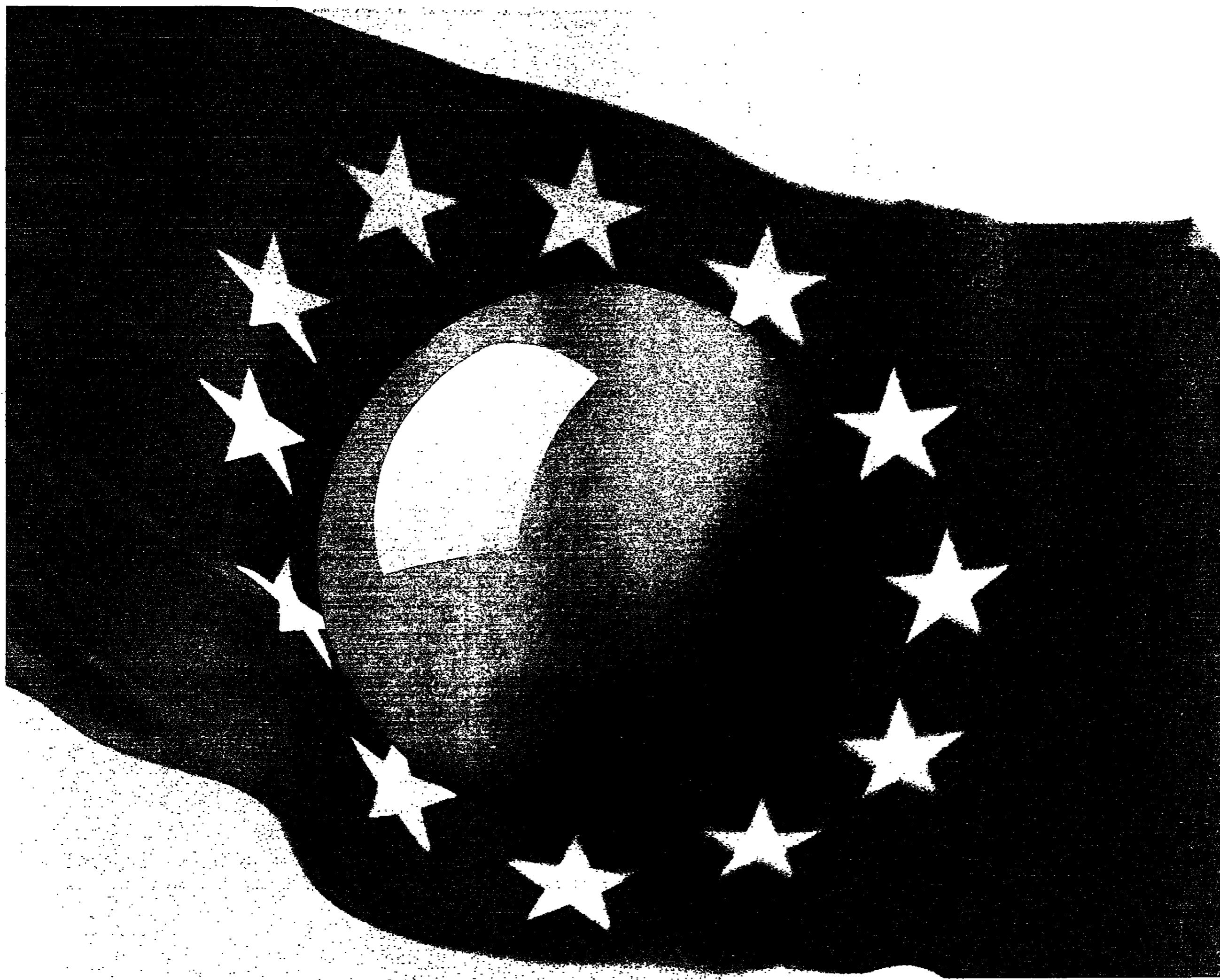
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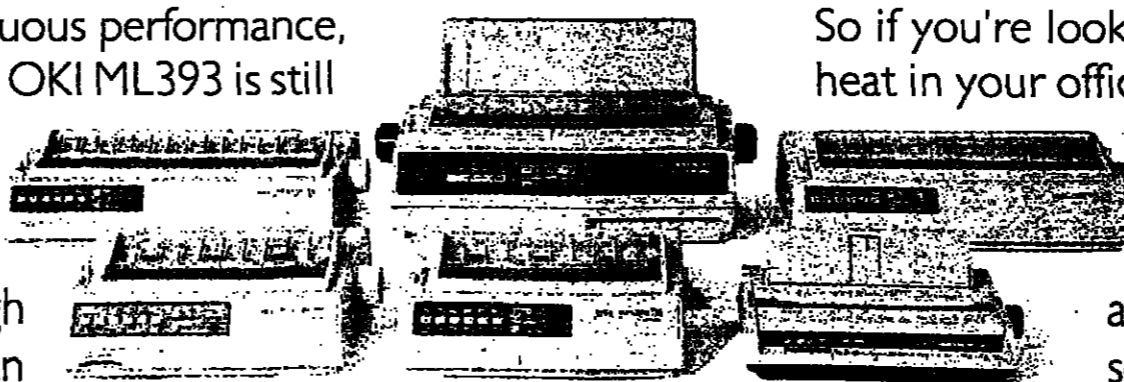
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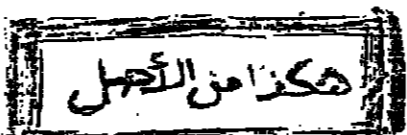
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ARTS

Mark Morris and Baryshnikov

THEATRE ROYAL DE LA MONNAIE, BRUSSELS

The tangled history of dance in Brussels in recent years - Maurice, or Morris, as the locals have it - acquired a few extra knots last week when Mark Morris and his Dance Group opened their second Monnaie season...

Brahms' more "innocent" musical and poetic text, and his dance language has become more linear, more refined. With hindsight, we can see that he was wise to have created the more emotionally dense set first...

Songs that Morris accepts the waltz itself, and when his lovers hold each other it is within the formal concept of a couple caught up in three-four time. It seems to me significant, too, that New Love Song Waltzes ends with the cast walking, hands linked...

lent, haunting clips that might come from a film noir of the 1940s. His cast is five archetypal characters: I identified Rob Besserer as the Big Boss; Mikhail Baryshnikov as the tough Private Eye; Ruth Davidson as the Floozie; Olivia Marijani-Koop as the Younger Sister...

Clement Crisp



'Portrait of Father III' by Leon Kossoff, 1972

Saatchi shows British William Packer reviews the latest exhibition

The Saatchi Collection is a truly remarkable institution, though it might well have rather more to say of the prevailing values of the international art world than of any determining private taste or judgement. The sheer voracity of acquisition has been staggering...

has just opened of the work of an artist from each category: the painter, Leon Kossoff, and the sculptor, Bill Woodrow (60a Boundary Road NW5: until further notice, Fridays and Saturdays 2-6pm, or by appointment: 01 624 8293).

BBC Philharmonic

BARBICAN HALL

Mahler's First Symphony received its premiere in Budapest 100 years ago this month, and it therefore made a logical choice for the BBC Philharmonic's contribution to Saturday's "Magyarok," the Barbican's Hungarian celebration.

poem in two parts" through an explicitly programmatic work in five movements to a symphony tout court. But to suggest the BBC Philharmonic's was in any meaningful sense a recreation of the work as heard in Budapest in 1889 was purely wishful.

heretical. Before the symphony the BBC Philharmonic had demonstrated its tonal refinement in Liszt's final symphonic poem From the Cradle to the Grave...

More Ligeti

QUEEN ELIZABETH HALL

The penultimate "Ligeti by Ligeti" concert was a joint exercise on Friday by the BBC Singers and London Winds. They kept to separate tracks: the chorus sang a cappella pieces, while to London Winds,...

hardly less concise, in their way - are more richly dramatized. London Winds turned them all with suave expertise and insight; I fancy Ligeti might have welcomed some extra abrasive touches in the Ten Pieces, for like most of his music they occasionally betray a flinty, belligerent aspect.

strange sonorities - what Ligeti was famously to develop as "micro-polyphony" - and brusque, down-to-earth jokes. More of those in the Three Hungarian Studies (also on Sander Weores' text): the first has the chorus render a melting icicle in sound...

Missa solemnis

FESTIVAL HALL

The Missa solemnis on Sunday afternoon was given by John Eliot Gardiner and his Monteverdi Choir and English Baroque Soloists. It was not, of course, the first of this work on "period" instruments by contemporary forces, but it was surely one of the finest characterized by energy, fluency of movement, and heart-lifting brilliance of colour.

choir, 36-strong, reached the summits of those extraordinary upward-shooting lines with easy clarity. Their singing was not totally unstrained (would anyone want a totally unstrained Missa solemnis?), but it was confident and athletic.

Andrew Clements

OBITUARY

Vladimir Horowitz

Vladimir Horowitz, who has died at the age of 85, was one of the outstanding pianists of the century in the minds and ears of those privileged to hear him, he was the incarnation of the grand pianist-virtuoso. His keyboard sound, fiery, glittering, and seductive by turns, was always instantly recognizable...

occasional gramophone records. For short bursts, in the 1960s, '70s, and '80s, he re-emerged to give recitals which counted among the highlights of any city's season (the two concerts comprising Horowitz's long-delayed return to London in the mid-1980s have remained unforgettable); the most recent records show a diminution of powers, but also flashes of the great Horowitz.

David Murray

Max Loppert

SALEROOM

New York silver record

Sotheby's enjoyed an exceptional week-end in New York, thanks in part to the London trade. Three leading silver dealers, Koopman, S.J. Phillips, and Partridge, pooled their resources and paid \$262,981 for a pair of George II silver three light candelabra, made in London by Kandler in 1758.

Stowe sale in 1838. The national wealth of the US rose by \$5.2m on Friday as the collection of the businessman, Roberto Polo, went under the hammer on the orders of the Internal Revenue Service. Mr Polo's affairs are at present under scrutiny by the authorities and Sotheby's has been given the task of disposing of his works of art. Perhaps he should have been a dealer, for his art, mainly acquired in the last five years, has proved an excellent investment.

Antony Thorncroft

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ARTS GUIDE

OPERA AND BALLET

London Royal Opera House, Covent Garden. One of the great masterpieces of post-War Classical opera, returns to Covent Garden in a new production by Mike Ashman, conducted by Mark Ermler. It is a re-staging of the original French. On Wednesday Sylvie Guillem and Jonathan Cope dance Swan Lake.

Luzern in the framework of the Festival d'Automne. (02639694)

Vienna Staatsoper, Ballet: The Nutcracker is conducted by Michael Sesson. Opera: The premiere of Flursch for in a Warsaw National Opera and Teatro Wielki production, is conducted by Robert Sztanowski. Volksoper. Programme includes My Fair Lady, Der Zigeunerbaron, Hoffmanns Erzählungen, Eine Nacht in Venedig, Henry Elstler - From and Mythos (ballet) by Susanne Kimbasser, and Die Verdamnten.

Hamburg Opera. Magnificent has wonderful John Neumeier choreography. La Bohème has Miriam Geisel. Nancy Gustafson, Tondolo Paolo and Andrea Schmalz in the leading roles. Die Hockstü des Figaro is expertly conducted by Bernhard Kloe.

Bonn Opera. Akda stars April Mill, Grace Bumbry, Lando Bartolini, Francesco Ellero d'Artegno, Giorgio Zancanaro and is excellently conducted by Dennis Russell. Davina.

Stuttgart Opera. Tannhäuser convinces thanks to Kurt Rydl. Tom Kraemer, Nancy Johnson and Ute Trebel-Burkhardt. The successful Loriot Märtha production is revived. Also Madame Butterfly and Die Entführung aus dem Serail.

Barcelona Lyric Opera of Chicago. Eugene O'Neill opens the season at the Liceu, in the production conducted by Emil Teshakov. Mirabella Freni, Denes Gulyas and Wolfgang Brendel in the lead roles. Gran Teatre del Liceu (818 91 23).

Milano Teatro Alla Scala. The Tokyo Ballet dancing La Sylphide, with choreography by Pierre Lacotte. Bejart's Bagdad and The Firebird and John Neumeier's Seven Haku of the Moon (80,51,26).

Venice La Fenice. A moving and beautifully acted performance by Raina Kabalava in Madame Butterfly, flanked by Giorgio Lambertini, a slightly wooden Pinkerton, sympathetically conducted by Daniel Oren (821015).

Palazzo Te, mainly the more erotic nymphs and satyrs, to emphasize the sensual goings-on at the court of the Gonzagas. (2779296).

New York Metropolitan Opera. Otto Schenck's new production of Rigoletto with June Anderson and Luciano Pavarotti opens, conducted by Marcello Panni. Julius Rudel conducts Il Barbiere di Siviglia with Marilyn Horne, Stanford Olsen and Gino Quilico in Sanjo Friezel's production. Opera House Lincoln Center (382 6000).

Washington Washington Opera. Lucia di Lammermoor with Ruth Ann Swenson in the title role and Jerry Hadley as Edgardo in Roman Tetrick's production opens the season that includes the company's first production of Akda as well as Die Fischer and The Aspen Pipers.

Brussels Cirque Royal. Bejart Ballet Lausanne performing 1782... at night, choreographed by Maurice Bejart (all week).

Berlin Opera. Die lustigen Weiber von Windsor is a well done repertoire performance. Rigoletto in Hans Neuenfels' production has a strong cast led by Gwendolyn Bradley. The Walker, John Sandor and George Fortune in the title role. Madame Butterfly with Yoko Nishida, Marcia Bellamy and John Sandor. Also a ballet evening with choreography by Roland Petit and a performance of Zar und Zimmermann.

Paris Opera. The Paris Opera stars and ballet corps accompanied by the Opera orchestra conducted by Michel Tabachnik present a Diaghilev evening with Petrushka, Le Spectre de la Rose, L'opéra-magique de Jean-François Lescault and the programme (8752571). Théâtre de la Bastille, Daniel

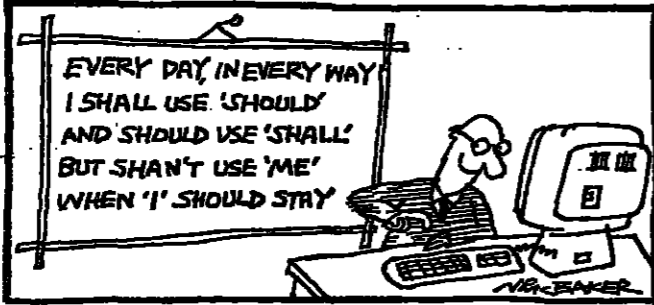
LETTERS

Employment on the record

From Mr John Wells. Sir, Mr Norman Fowler, Secretary of State for Employment...

Participation in the positive

From Mr Bryan Stevens. Sir, I object to the misleading headline given to your report of my talk at the Institute of Personnel Management...



Some future tensions will arise

From Mr Alec Banks. Sir, The FT's grammar (Letters, October 28) is not helped by the almost complete disappearance of "shall" and "should"...

From Mr John Sheepshanks. Sir, Penelope Maybin (Letters, October 28) is correct in her use of "me"...

Currencies auto-connect

From Mr A.D. Leavelle. Sir, Linked automatic teller machines (ATMs) are in place; over 20,000 of them in the US and Canada...

No more D-Ram dumps

From Mr David Kynaston. Sir, Mr Phillip Oppenheim MP and Mr Ross Denton (Letters, October 11, 17) still misunderstand the nature and effects of the undertaking negotiated by the European Commission with Japanese semiconductor manufacturers...

suppliers at below the reference (or "fast") prices determined by the Commission would not be a bad thing; in other words, he is in favour of competitive dumping...

O, my America

From Mr Robert England. Sir, I am sick and tired of the relentlessly anti-American scribbles of Anthony Harris in Washington. His visceral hatred of President Reagan now continues with President Bush...

sheltered goods and services to be roughly 10-12 per cent higher than otherwise. Assuming the sheltered sector accounts for about 70 per cent of total employment...

Reward for risk

From Mr C.R. Peier. Sir, Frank Blackaby argues (Letters, October 28) that the UK Government should raise direct taxes, not interest rates, to reduce consumer spending...

The consumer would have a strong incentive to save and to "de-risk" even at relatively low levels of taxation...

The row over the resignation of Mr Nigel Lawson, the former Chancellor of the Exchequer, has pushed Europe once more on to the centre of the political stage in Britain...

FOREIGN AFFAIRS

Britain's European ambiguity

Robert Mauthner says Thatcher and Delors have more in common than they think

depressingly short-sighted. It is the absence of long-term aims and a coherent British strategy for Europe that has been the cause of so much of the tension between Britain and its Community partners...

Britain has mostly found itself reacting negatively to the ambitious projects of others

the reform of the common agricultural policy and the creation of the single market. Britain has mostly found itself in the position of reacting negatively to the ambitious projects of others...

pean integration. For a brief period, Mrs Thatcher could harbour the illusion that her close relationship with former President Ronald Reagan and the friendly understanding that she had established with Mr Mikhail Gorbachev...

role it can play in bridging the gap between eastern and western Europe, have all contributed to enhancing its potential role in world affairs.

Such an entity, though perhaps a superpower in some of its manifestations, need not be the bogey "superstate" in which all important decisions are taken by a centralised supranational bureaucracy...

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GATEWAY AMERICA

'If there were satisfactory child care arrangements'

From Mr Andrew Hewett. Sir, While we welcome the increased interest shown by many firms in attracting school leavers (YTS Bethnal Green Road programme may be upgraded to meet pressure (October 25)...

care arrangements for their children. The NEDO survey demonstrates the sheer folly of relying on employers to fund most of the childcare needed over the next decade...

From Mr David Littlejohn and Miss Sandra Watson. Sir, Nick Landor is right to bring attention to labour recruitment and retention problems in the hotel and catering industry (October 21). If Britain is to maintain and increase its role as an important international tourist destination...

POSITIVE That's BTR

FINANCIAL TIMES

Tuesday November 7 1989

MAINTAINING THE STATUS HOE CONSTRUCTION EQUIPMENT



Supporters of the DTA, Swapo's chief opposition in the Namibian elections, put up posters in the black township of Katutura

Africa's last colony at the polls

Patti Waldmeir reports on the relative calm of the Namibian campaign being watched anxiously by the superpowers and the UN

The fate of Namibia - an empty desert land tucked away at the bottom of Africa - may seem an unlikely subject for the scrutiny of Moscow, London, Washington, Havana, and much of the rest of the world community of nations.

There have been moments of tragedy, and high tension: most recently in September, when the assassination of Mr Anton Lubowski, a prominent white supporter of Swapo, led to fears that election violence would get out of hand.

Bleary-eyed European executives look to the future

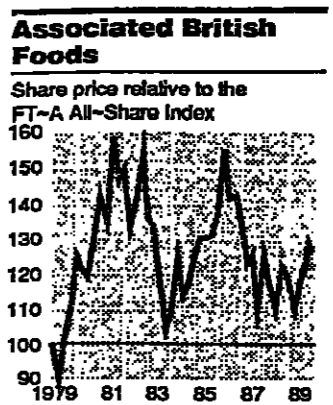
By Alice Rawsthorn in London

THE TYPICAL top European executive rises early in the morning, battles through traffic jams to the office only to be trapped in meetings for most of the day and then goes home exhausted.

Morgan calls for reinforcements

Associated British Foods

We may not know the names of all the financial institutions Morgan Grenfell is talking to, but we can be pretty sure that the merchant bank has splashed its way across the Rubicon towards losing its independence.



Despite the sluggish growth of milling and baking, the appeal of ABF in economic bad times is genuine. The shares had a significant period of out-performance between 1979 and 1982 before a price war with REM slowed profits growth.

Yesterday's economic statistics underlined the dilemma. September's retail sales figures were revised upwards, although there has been little growth in recent months.

Gorbachev urges care over pace of reform

By Quentin Peel in Moscow

MR MIKHAIL GORBACHEV has warned a session of leading Soviet economists that a straight switch to a market system in the Soviet Union would cause riots and the overthrow of the government.

at the end of two days of often brutal debate among economists, industrial managers and elected deputies of the Supreme Soviet, summoned to map out alternative strategies.

First step to EC monetary union talks

By David Buchan in Strasbourg

THE first, and very preliminary, stage of preparations for a decision next month on launching European monetary union discussions passed off yesterday without rancour and incident between Britain and its EC partners.

with Prime Minister Margaret Thatcher's government in welcoming a stage one move to greater monetary co-operation, but in criticising later stages of the proposal.

Table with columns for location, temperature, and weather conditions. Includes cities like London, New York, and Tokyo.

'Exodus may reach 1m'

Continued from Page 1

and economic problems in both East and West Germany. One Bonn foreign policy analyst even speculated that Mr Kohl was deliberately trying to 'destabilise' West Germany.

Stalemate after Greek election

Continued from Page 1

acceptable government, he will give each party leader in turn a three-day mandate to form a coalition government, before making a last ditch effort in favour of an all-party government.

Dinkins leads

Continued from Page 1

the heat under Mr Dinkins. "The question is whether David Dinkins can drag himself across the finish line with his integrity around his ankles," he said.

Advertisement for Morgan Grenfell's UK Equity Index Tracker Trust, featuring a large '90%' graphic and text describing the fund's performance and investment strategy.

VEHICLE CONTRACTING GOVIE Interleasing

FINANCIAL TIMES COMPANIES & MARKETS

Tuesday November 7 1989

IMI for building products, drinks dispense, fluid power, special engineering...

INSIDE

Cutting a coat to fit Tokyo cloth

TEIJIN Outside Teijin's headquarters in Tokyo the first things that catch the eye are the electronic slogans flashing 'Import Now!'

Preferred source of capital British banks, constantly on the prowl for new capital, have found a supply in an unlikely quarter: the US preferred share market.

A brew of tea and technology

At first sight it looks like a huge, square orange and silver box rolling silently through the gently sloping bright green tea gardens glistening under the Ugandan sunshine.

Something old, something new Stora, the Swedish company which is Europe's largest forest products group, will today see its shares listed on the London and Frankfurt stock exchanges.

The exceptions to the rule The behaviour of last week's two equity market winners - gold shares and UK stocks - is raising an eyebrow or two.

Institutions may hold on to shares in DRG

By Clare Pearson LEADING institutional investors in DRG are considering holding on to their shares in the UK paper and packaging company even after the 5897m (£1.05bn) hostile takeover bid from Mr Roland Franklin's Pembridge Investments is declared unconditional.

Morgan seeks cover under the eagle's wing

Richard Waters looks at the bank's discussions with Barclays de Zoete Wedd

Morgan Grenfell's hopes of retaining its independence appeared to be fading fast yesterday as the bank announced that it was discussing a link-up with a number of institutions.

Table with financial data for Morgan Grenfell and BZW for years 1988 and 1987.



Moger Woolley: outcome 'a sad day for British industry'

out his group's strong position, appeared resigned to the fact yesterday that Indosuez would have to pay more for the 10 per cent stake.

IP to buy majority stake in Zanders

By Haig Simonian in Frankfurt

INTERNATIONAL PAPER, the big US paper manufacturing group, has agreed to buy a majority stake in Zanders Fein-papier, the West German paper company, adding to its string of European acquisitions this year.

Metallgesellschaft increases stake in MIM from 4% to 10%

By Andrew Fisher in Frankfurt

METALLGESELLSCHAFT, the West German mining, metals and engineering group, has increased its stake in MIM, the Australian mining concern, to 10.5 from 4 per cent in a move which underlines the increasing co-operation of the two companies in world metal projects.

Meggitt claims 76.6% of USH

By Andrew Bolger in London

MEGGITT, the specialist engineering group, disclosed yesterday that it now speaks for 76.6 per cent of United Scientific Holdings (USH). But it is standing by its insistence that the troubled defence contractor must provide more financial information before its £104m final offer can be made unconditional.

DM444. Another Australian shareholder in the German company is Australian Mutual Provident (AMP), the insurance group, which owns 5 per cent.

and Preussag of West Germany. MIM and Metallgesellschaft both own stakes in Cominco and Teck, the Canadian mining companies, as well as being involved in metals refining and production projects in Germany.

All of these Shares having been sold, this announcement appears as a matter of record only



SDS HOLDING A/S

Conversion from Mutual to Joint Stock Status Listing on the Copenhagen Stock Exchange

Simultaneous International Offering of 1,270,000 Shares at DKK 300 each

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COUNTY NATWEST WOOD MACKENZIE & CO. LIMITED Lead Manager of the International Offering

J.P. MORGAN SECURITIES LTD. Co-Lead Manager of the International Offering

October 1989

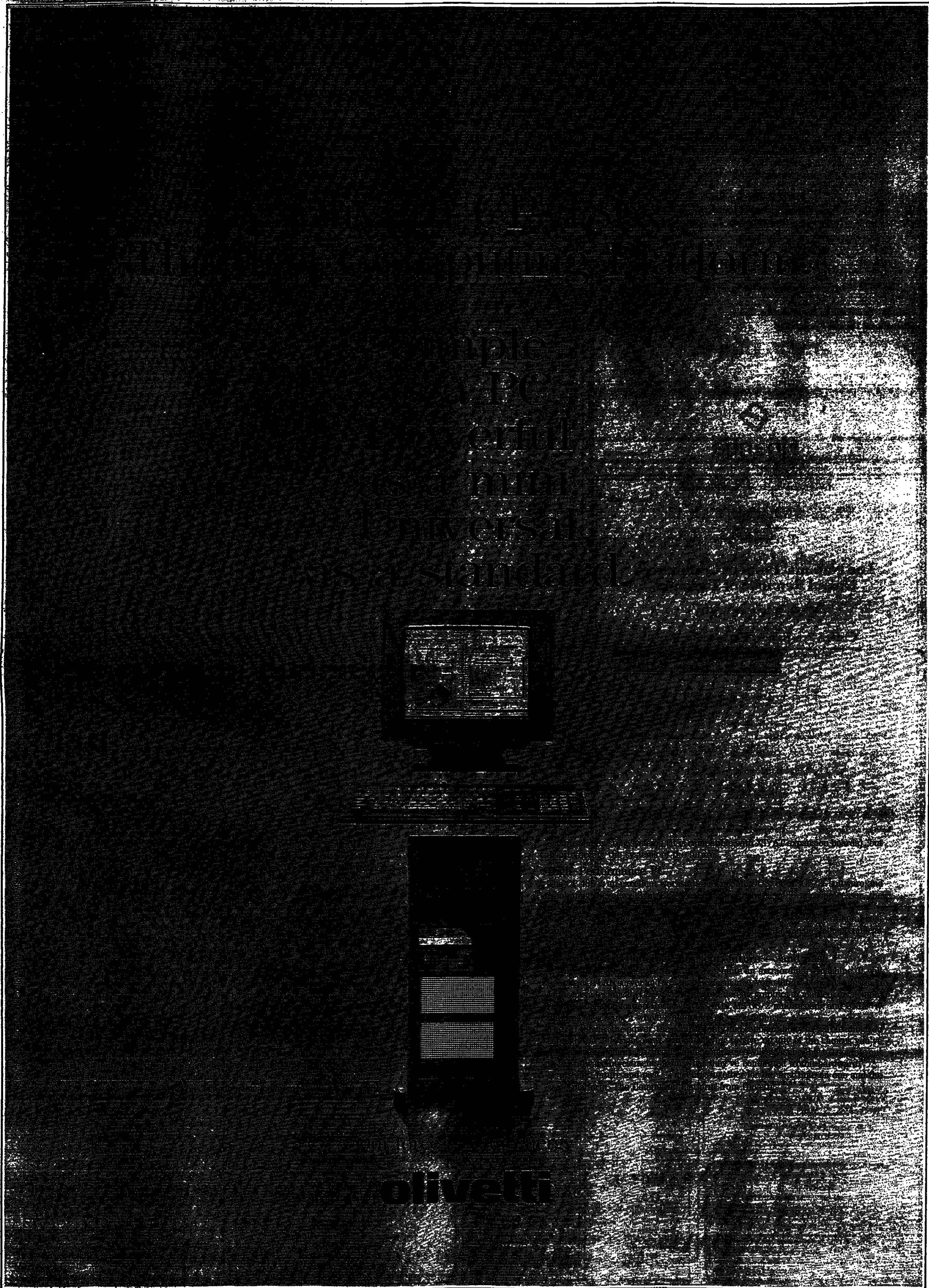
Market Statistics table with columns for Rate lending rates, Benchmark Govt bonds, European options each, FT-A indices, FT-A world indices, FT int bond service, Financial futures, Foreign exchanges, London recent issues.

Companies in this section table listing various companies like ABB Foods, ABB Kent, African Oxygen, Aitch Holdings, Ares-Serono, Assoc British Inds, Balleys, Benetton, British Syphon Inds, Callanish, Conoco, Corned Continental, Continental Airlines, Cornwall Trust, Drayton Cons Trust, Eramol, Euro, Ferranti Int Signal, GTE, Glaxo, Hatfield Estates, Highland P&Olpants, Hino Motors.

Chief price changes yesterday

Table with price changes for FRANKFURT (DM), NEW YORK (\$), and LONDON (Pence) for various stocks.

Vertical text on the left edge of the page, possibly a page number or index, including characters like '15', '11', '10', '9', '8', '7', '6', '5', '4', '3', '2', '1', 'S', 'R', 'Q', 'P', 'O', 'N', 'M', 'L', 'K', 'J', 'I', 'H', 'G', 'F', 'E', 'D', 'C', 'B', 'A'.



olivet

H

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, November 6, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, D-MARK, US \$, COUNTRY, £ STG, US \$, D-MARK, YEN (x 100). Lists exchange rates for various countries including Afghanistan, Albania, Algeria, Angola, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belize, Benin, Bermuda, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burkina Faso, Burma, Cambodia, Cameroon, Canada, Cayman Is, C. Verde, Central Bank, Chile, China, Colombia, Congo, Costa Rica, Cote d'Ivoire, Cyprus, Czechoslovakia, Denmark, Djibouti, Dominican Rep, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Falkland Is, Faroe Is, Fiji, Finland, France, Fr. Equatorial Africa, Fr. Guiana, Fr. Pacific, Gabon, Gambia, Germany East, Germany West, Ghana, Greece, Greenland, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iran, Iraq, Israel, Italy, Jamaica, Jordan, Kenya, Kuwait, Laos, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macao, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Monaco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Pitcairn Is, Poland, Portugal, Puerto Rico, Qatar, Reunion, Romania, Russia, St Christopher, St Helena, St Lucia, St Vincent, St Marino, Sao Tome, Saudi Arabia, Senegal, Sierra Leone, Solomon Is, South Africa, Spain, Sri Lanka, St Kitts, Suriname, Switzerland, Sweden, Syria, Taiwan, Tanzania, Thailand, Timor, Trinidad, Tunisia, Turkey, Uganda, U.K., U.S.A., Uruguay, Venezuela, Vietnam, Virgin Is, Western Samoa, Yemen, Yugoslavia, Zambia, Zimbabwe.

Special Drawing Rights November 3, 1989 United Kingdom £1.2221 United States \$1.2746 Germany West D Mark 2.3465 Japan Yen/¥100 European Currency Unit Rates November 6, 1989
Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non-commercial rate; (i) Business rate; (j) Buying rate; (k) Lumpy goods; (l) Market rate; (m) Official rate; (n) preferential rate; (o) convertible rate; (p) parallel rate; (q) Selling rate; (r) Tourist rate; (s) Currencies fixed against the US Dollar. Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 4360/5. Monday, November 6, 1989

INTERNATIONAL CAPITAL MARKETS
Fairly-priced deals hit by nervous Eurobond sector

By Andrew Freeman

THE DANGERS of bringing new issues against the uncertain background of government and secondary bond markets were evident on the Eurobond market yesterday as several fairly-priced deals were adversely affected.

INTERNATIONAL BONDS

JP Morgan was the lead manager of a \$750m seven-year deal for the Province of Alberta. The issue was syndicated by a group of 12 banks.

indicating managers seemed collectively to have over-estimated the strength of investor demand for dollar paper and ended the session expressing disappointment at the deal's performance.

INTERNATIONAL BONDS

JP Morgan was the lead manager of a \$750m seven-year deal for the Province of Alberta. The issue was syndicated by a group of 12 banks.

1982, a \$100m two-year swapped issue for Toronto Dominion Bank. The retail-targeted bonds offered an 11 1/2 per cent coupon and met a good reception from a wide range of houses.

INTERNATIONAL BONDS

JP Morgan was the lead manager of a \$750m seven-year deal for the Province of Alberta. The issue was syndicated by a group of 12 banks.

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner. Lists various international bond issues including American Express, British Telecom, and others.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Large table with columns: Country, Issue, Amount, Coupon, Price, Yield, Maturity, etc. Lists numerous international bonds from various countries like Australia, Canada, France, Germany, etc.

Advertisement for Storebrand Finans A/S and EPA INVEST A/S. Text includes: 'This announcement appears as a matter of record only.', 'Storebrand Finans A/S has sold its Danish subsidiary Custos Finans A/S to EPA INVEST A/S', 'The undersigned initiated this transaction and acted as advisor to Storebrand Finans A/S during the negotiations.', 'The Chase Manhattan Bank, N.A. June 1989'.

Advertisement for CHASE. Features the Chase logo and the word 'CHASE' in large letters.

Additional text and footnotes at the bottom of the page, including information about the FT International Bond Service and data sources.

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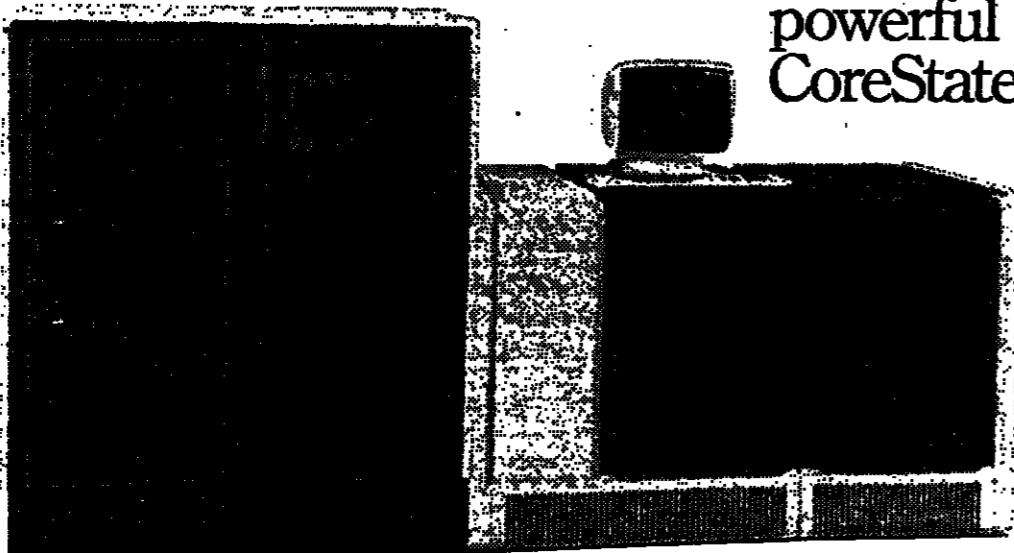
CoreStates has continuously invested in good technology and good people to manage it. That's how CoreStates has built a reputation as a technological leader in the banking industry.

Over the past ten years, CoreStates' focus on the intelligent application of technology has

made its Money Access Center, MAC®, one of the largest ATM networks in the U.S.

In addition, CoreStates people have created cash management and information services that give corporate customers pinpoint control of their funds worldwide. For example, CoreStates leads in the new technology of Electronic Data Interchange (EDI) payments services.

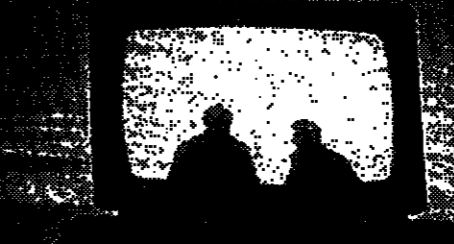
In 1988 a strong, technology-driven, fee-based orientation contributed significantly to CoreStates' business. The strategy of using advanced technology to meet customer demands is a powerful tool in the hands of CoreStates' people.



CoreStates people developed CompuCash 2, a leading video-image-based system for automated lockbox processing.

One To Get Ready

How To Prepare
Your Company For EDI



By Bernell K. Stone
with an introduction by
Terrence A. Larsen, Chairman and CEO
CoreStates Financial Corp

To help Corporate Treasurers maximize the benefits of Electronic Data Interchange, CoreStates people published a comprehensive book on this topic in 1988.

For a CoreStates Quarterly or Annual Report, contact the CoreStates Investor Relations Department, P.O. Box 7618, Philadelphia, PA 19101, or call 215-973-3528.

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UK COMPANY NEWS

ICI to sell gallium arsenide side

By Peter Marsh

IMPERIAL CHEMICAL Industries is to withdraw from making semiconductor materials based on gallium arsenide, a relatively new area in electronics where progress has been slower than expected.

The company, Britain's biggest chemicals group, is to sell its interests in this field as part of a re-evaluation of its activities in electronic materials.

ICI said yesterday it hoped to sell a total of four electronics-related businesses which have combined annual sales of £15m and which do not fit with its other operations. It said it was talking to two groups and hoped to conclude the sale within weeks.

ICI's work in gallium arsenide is based around Wafer Technology, a company based in Milton Keynes, Buckinghamshire, which employs about 50 people. The subsidiary, set up in 1985, processes the material and sells it to elec-

tronics groups for incorporation in high-speed processing devices.

Five years ago the outlook for gallium arsenide was thought highly promising as the material makes possible the manufacture of chips which work much faster than

conventional devices made from silicon.

But the costs and complexity of the material has held back applications. Earlier this year Plesey greatly reduced its activities in this technology.

ICI is to sell Wafer Technol-



ogy along with three other US-based businesses which make other electronic components, including a new type of semiconductor chips based on a technology called surface-mounting.

Selling the four groups was part of a "general evolution" involving ICI's business and was not connected to the general problems being experienced by some parts of ICI's speciality chemicals operations, the company said.

Just under a fortnight ago ICI announced a 12 per cent drop in third-quarter profits, blaming the size of the fall on difficulties in certain parts of its speciality operations such as paints.

ICI said its overall thrust in electronic materials was not affected by yesterday's announcement. The company sells a range of chemicals for use in electronics manufacture and has diversified into elec-

tronic imaging materials for data-storage applications. Revenues from these activities are small and are not disclosed by the company.

C-I-L, ICI's Canadian subsidiary, has announced the sale of Chemetics International to John Brown, a Trafiger House company, adds Jane Fuller.

Chemetics supplies processing systems and equipment to the chemicals, pulp and paper and metal smelting industries. Based in Vancouver, it also operates in the US, Sweden and Brazil. Its 1988 sales totalled £70m.

The value of the transaction is less than 1 per cent of ICI's net assets.

John Brown said Chemetics, which specialises in pollution control technology, fitted in with the company's strategy of extending both its product range and territorial coverage in engineering and contract services.

Higher pulp prices hit British Syphon

By Andrew Hill

INCREASING paper pulp prices have hit profits at British Syphon Industries, the merchanting and manufacturing group in which Mr Nathu Ram Puri holds a 25 per cent stake.

Pre-tax profits dropped from £2.96m to £1.11m in the first half of the year and earnings per share were down from 6.5p to 2p. Turnover was slightly lower than the equivalent period at £74.4m (£75.7m). As expected, British Syphon did not declare an interim dividend following the passing of the final last time. The comparable interim payment was 2.024p.

Last month, the group announced that it had sold its paper merchanting interests for about £23.1m.

It is a little more than a year since British Syphon's management first raised the possibility of a buy-out to take the company private. The offer, which valued British Syphon at about £50m, won over almost all shareholders except Mr Puri and his private industrial group, Melton Medes. They have continued to block any attempt to remove the group's listing.

Mr Bryan Morrall, British Syphon's chairman, who headed the buy-out team, repeated his conviction yesterday that the minority stake was not a problem. He added that Mr Puri's presence had reduced the overall cost of the buy-out by keeping down interest payments.

"It's helping more than it's hurting at the moment," said Mr Morrall.

Yellowhammer closes financial advertising and PR offshoot

By Alice Rawsthorn

YELLOWHAMMER, the advertising agency, is closing Yellowhammer Financial, its financial advertising and public relations subsidiary, because of the depressed outlook for the corporate advertising market.

Mr John Burdett, director of corporate finance, said Yellowhammer had decided the outlook for the corporate advertising sector was too gloomy to justify continuing with the business. Yellowhammer's shares were unchanged at 166p yesterday.

The financial subsidiary was set up a year ago. Mr Burdett

said initially it had performed reasonably well, but in recent months had under-performed and the company saw no prospect of recovery in the short term.

The closure will involve the loss of five jobs. Three other executives will be redeployed and the accounts will be handled by other parts of the company.

This autumn the advertising industry has been hit by a slowdown in expenditure as the pressure on corporate profits and the downturn in consumer spending has prompted many major advertisers to cut

budgets. The problems have been compounded in the financial advertising sector by the weakness of the stock market.

Yellowhammer made pre-tax profits of £2.7m on sales of £62.4m in the year to March 31. Yellowhammer Financial was expected to have provided 3 per cent of its forecast billings this year.

Mr Burdett said Yellowhammer had yet not noticed a reduction in expenditure by existing clients, but it was concerned by the slowdown in new business prospects and was less confident than a couple of months ago.

Renold achieves 74% rise to £4m

"AN encouraging improvement" and "in line with expectations", said Mr Peter Frost, chairman of Renold, to describe his company's 74 per cent profits increase in

the half-year to September 30 1989.

The increase from £2.3m to £4m was achieved on turnover up from £70m to £73m. Earnings rose to 4.5p (2.5p) and the

interim dividend is lifted 50 per cent to 1.2p.

Mr Frost said that the profits increase arose mainly from the restructuring of the group's businesses.

Hatfield Ests advances 20% to £2.64m

By Andrew Bolger

Hatfield Estates, the Hertfordshire-based property developer and building contractor, yesterday reported a 20 per cent increase to £2.64m in pre-tax profits for the year to August 31.

Mr Peter Thompson, chairman, who joined the USM at the end of 1987, said turnover was up 42 per cent to £16.37m.

Earnings rose 15 per cent to 23.34p (20.22p).

A final dividend of 3p is proposed, making 4.25p (3p) for the year, an increase of 42 per cent.

Associated British Foods

Half Year Progress Report

	Six months to 30 September 1989*	Six months to 1 October 1988*	Year to 1 April 1988
	£ million	£ million	£ million
Turnover	1,271.0	1,153.0	2,496.0
Trading surplus	64.1	57.1	151.8
Interest payable	3.1	2.8	6.9
Investment income	61.0	54.3	144.9
Profit on ordinary activities before tax	50.3	35.0	92.2
United Kingdom tax	111.3	89.3	237.1
Overseas tax	21.0	17.4	44.7
Profit on ordinary activities after tax	15.4	12.5	27.5
Minority interests	74.9	59.4	164.9
Profit on ordinary activities attributable to the company	2.4	2.0	4.5
Extraordinary items	72.5	57.4	160.4
	0.5	2.5	35.8
	73.0	59.9	196.2
Ordinary dividends			
1st Interim	14.7	12.5	12.5
2nd Interim	-	-	29.1
Earnings per share before extraordinary items	16.2p	12.8p	35.9p

*Half year figures unaudited.

The Chairman, Mr. GARRY WESTON, reports:

The profits before tax for the period at £111.3 million show an increase of 25 per cent when compared with the £89.3 million reported last year. After providing for a marginally lower rate of taxation, and minority interests, earnings per share increased by 26 per cent to 16.2p.

Worldwide sales increased by 10 per cent to £1,271 million and the trading surplus earned thereon by 12 per cent to £64.1 million.

In the United Kingdom, sales increased by 10 per cent to £826 million, and trading profits by 9 per cent to £38.9 million, which under present trading conditions and the pressure on margins in the basic industries in which we operate, must be considered satisfactory. Our manufacturing divisions made a solid start to the year, but our retail operations in Northern Ireland faced severe competition and profits there did not achieve the budgets set.

Overseas sales of £445 million and trading profits at £25.2 million showed increases on the year ago results of 11 per cent and 17 per cent. Currency realignment had the effect of increasing sales by some £10.0 million and profits by £0.6 million. George Weston Foods in Australia again showed further growth, increasing sales and profits by 11 per cent and 14 per cent respectively despite the below budget performance from its New South Wales bread operation. Australian results have been converted at AS2.10 to the £1.

Group investment income increased by £15.3 million, or 44 per cent, to £50.3 million, which mainly reflects the substantially higher rate of investment returns obtainable. The sale of our investment in The Gateway Corporation in June only marginally affected the level of investment income for the half year as that company's final dividend was not paid. The surplus arising on the disposal of this investment amounts to some £89 million and will be added to extraordinary items in the profit and loss account for the year.

As stated in our 1989 annual report, profits on property sales are now included in trading profits. These were marginal in the period under review.

In spite of anticipated further heavy pressure on margins in the second half of the year, we are confident that the profit growth for the group can be maintained to achieve a satisfactory profit performance for the year.

At the Annual General Meeting, I announced that it was my intention to recommend a dividend increase of 18 per cent from 2.5p to 3.3p per share. I am pleased to confirm that at a Board Meeting today the directors declared a first interim dividend of 3.5p per share (at 1988 - 2.8p) which, together with the associated tax credit, is equivalent to 4.4p per share (1988 - 3.73p). This interim dividend will be paid on 6 March 1990 to shareholders on the register at the close of business on 2 February 1990.

Associated British Foods plc
Weston Centre, 68 Knightsbridge, London SW1X 7LR

Basle Stock Exchange News, a major Swiss exchange informs:

New trading hours for Swiss securities and warrants 8.30 a.m. - 2 p.m. GMT (minimum)

For further information call 0041 61 23 05 55

NFC holders vote on future direction

By Michael Skapinker

SHAREHOLDERS who think the board has got things wrong usually have two choices. They can stand up and say so at the annual meeting, where their misgivings are likely to be dismissed with varying degrees of civility. Or they can sell their shares.

Mr Peter Thompson, chairman of NFC, the transport and distribution group, believes shareholders should be intimately involved in formulating corporate strategy.

Earlier this year he asked Mr Peter Thompson, chairman of NFC, the transport and distribution group, to send questionnaires to all 42,000 shareholders asking them where they thought the company should be going.

The company, formerly the National Freight Consortium, carried out a similar exercise in 1988, the year after the government sold the organisation to its employees.

Last February, NFC was floated on the Stock Exchange, although employees and their families continue to dominate the share register.

Only another 20 per cent of shareholders responded to the Mori survey. Mr Peter argued, however, that this was a healthier response than it seemed. Families consisting of several shareholders tended to send in one response between them. Larger shareholders were also more enthusiastic in their response.

Shareholders, whether employees or outsiders, were in favour of increasing the group's international activities. Nearly 60 per cent of those replying said they thought international operations should account for half or more than half of NFC's profits. Last year, 23 per cent of the group's £80.4m operating profit came from its overseas companies.

Mr Peter said that the enthusiasm for overseas business was relatively recent. When NFC was privatised, employees were more wary about expanding into international activities.

Over 40 per cent of shareholders wanted NFC's non-transport activities to be strengthened. The group owns Pickfords Travel and is also involved in property development.

Mr Roderick Sutherland, chief executive, was formerly responsible for equity trading at Ivory & Sims, the Edinburgh fund management company, where he became convinced of the opportunity for a Scottish-based stockbroker dealing on behalf of institutions.

The fund managers and life offices based in Scotland normally use London-based brokers for their equity transactions.

Although Scottish-based stockbrokers such as Bell Lawrie and Allied Provincial have departments dealing with institutional clients, the bulk of their business is with private clients.

The new firm, which began trading last month, will not restrict its trading to Scottish clients and will deal in international securities. It will have access to the floor of the New York stock exchange via a satellite-linked private line, where a US securities company will deal on its behalf. It will also be able to execute deals in Europe on behalf of US clients.

Mr Ken Brown, managing director and formerly a director of stockbroker Panmure Gordon, said: "If this succeeds, a lot of other people could do it in other parts of the UK. Overheads are much cheaper and we are next door to the clients."

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Price rises peg Riva to 22% gain

By Gary Evans

RIVA GROUP, the supplier of electronic point-of-sale equipment which joined the USM last year, reported a 22 per cent rise from £1.21m to £1.48m in pre-tax profits for the year to June 30 1989. Turnover increased 49 per cent to £13.66m.

The results included a £8,849 loss from Infocore, bought in January, but excluded Hugin Sweda, Riva's former competitor in the same sector which was acquired for £2m after the year end.

In June, Riva warned that an unexpected increase in the price of Dram microchips used in the production of Riva tills - could not be passed on to customers. At that time, however, prices had come down considerably from the high levels reached in the early part of 1989 and the company said yesterday that as expected, they had continued to

return to more normal levels over recent months.

After a tax of £507,000 (243,000) net earnings per 10p share were 8.4p (7.8p) or 7.9p (7p) fully diluted. A final dividend of 2p was proposed making a total of 3p for the year, on capital increased by September's rights issue.

Mr Tom Milne, chairman, said 1990 would see the integration of the respective businesses, together with unification of the marketing strategies and product ranges.

A new family of Epos products will be introduced which Mr Milne said should dramatically enhance Hugin Sweda's business capability and he believed this should give Riva a major platform to expand in Epos throughout Europe in the next decade.

Mr Milne said important decisions had been taken to reduce significantly the large

cost base within Hugin Sweda. A major step had been the decision to close headquarters in Stockholm and London and relocate these activities to Bolton.

The board was undertaking a critical review of Hugin Sweda's operations in each country with the objective to make each one profitable in 1990.

Mr Milne estimated that in a full year Hugin Sweda would contribute over £50m to group turnover and he added that it was planned to restore Hugin to profitability in the first half of 1990. It incurred a pre-tax loss of £1.8m in 1988 on turnover of £110m, but since then its loss-making US operations had been sold.

In order to make the year ends of Riva and Hugin Sweda compatible, the group said it was changing its financial year end from June to December.

In order to make the year ends of Riva and Hugin Sweda compatible, the group said it was changing its financial year end from June to December.

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£200,000,000

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Due 1990

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Interest Period:
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6 February 1990

Interest Amount per
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Interest Amount per
£50,000 Note due
06.02.90: £192.92

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to the holders of the outstanding
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NOTICE IS HEREBY GIVEN to
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7th November, 1989

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125	102	Armitage and Shedd	107	0	4.7	2.5	15.6
210	179	Bardon Group (SE)	163	0	6.3	6.5	-
125	102	Bardon Group Co. Prof. (SE)	107	0	6.7	6.5	-
110	77	Bope Technology	102	0	5.9	7.7	6.8
110	105	Bronhill Cons. Prof.	102	0	11.0	10.5	-
104	100	Breakfast 9% New C.C.R.P.	104	0	14.7	5.0	3.6
305	285	CSL Group Ordinary	275	0	11.1	6.2	-
176	168	CSL Group 11% Conv.	173	0	7.6	3.6	12.4
225	190	Curio Pte (SE)	210	0	10.3	9.4	-
110	109	Magnum Gas Non-Voting B Conv.	110	0	-	-	-
5	0.75	Magnum Gas Non-Voting B Conv.	0.75m	0	-	-	-
130	119	Info Group	120	0	8.0	6.7	6.9
145	50	Jackson Group (SE)	102	0	3.6	5.5	11.9
322	261	Multihouse NV (Amst.)	267	0	-	-	-
158	98	Robert Jenkins	158	0	10.0	6.5	5.6
467	365	Scrutton	373	-2	18.7	9.0	9.9
300	270	Tanday & Carlisle	299	0	9.3	3.1	10.4
117	108	Tanday & Carlisle Co. Prof.	109	0	10.7	9.8	-
122	80	Tervia Holdings (USA)	80	0	2.7	3.4	8.6
150	106	Unicrest Europe Conv Prof.	150	0	9.3	6.2	-
395	355	Veterinary Drug Co. Ltd.	363	-2	22.0	6.1	9.4
370	323	W.S. Yates	323	0	16.2	5.0	26.9

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Nov 2162/2172 -5
Dec. 2170/2180 -5

WALL STREET
Nov. 2593/2605 -25
Dec. 2606/2618 -25

5pm Prices. Change from previous 9pm close

IG

INDEX

UK COMPANY NEWS

Aitch to cut borrowings via restructure

By Andrew Hill

AITCH HOLDINGS, the clothing designer and manufacturer, is to restructure its operations in an attempt to bring borrowings down by nearly £8m - from more than twice shareholders' funds to about 50 per cent.

The group, which also forecast a return to pre-tax profits in the year to November 30, is aiming to raise £2.5m with an offer of shares at 25p each, against yesterday's unchanged closing price of 26p.

The offer - on the basis of about 41 new shares for every 100 held - will increase the number of Aitch shares in issue by about 36 per

cent. A further £1m will come from a management buy-out of Pressware, Aitch's garment packing, storage and distribution subsidiary. Negotiations are also at an advanced stage, according to Aitch, for the disposal of two properties, which would reduce gross borrowings by a further £2.4m.

At the same time, Aitch, which was formed last year through a reverse takeover of Munton Brothers, is intending to buy Flamingo Group, which designs and distributes knitwear, woven garments and T-shirts, for up to £3.5m, partly funded by the share

offer. Mr Harry Rogers, Aitch's chairman and chief executive, said reducing the burden of interest charges was the highest priority for the group and played down the possible impact of a weaker retailing climate.

"I wouldn't get too carried away about that. People have still got to buy clothes," he said yesterday.

Aitch is forecasting pre-tax profits of more than £500,000 in 1989-90, after interest charges of £1.4m, compared with a loss of £1.4m in the 14 months to November 30, 1988.

After the Pressware disposal,

Aitch aims to concentrate on the design, manufacture and distribution of fashion wear. Mr Rogers said the acquisition of Flamingo and its XYZ Clothing Company subsidiary would add new clients, helping Aitch to broaden its customer base, which already extends from high street boutiques to mail order companies.

He added that the group would now tighten up financial reporting and consolidate its existing operations.

"But if something does come along that is irresistible and we can buy at a good price, I would go forward and buy again," said Mr Rogers.

Philips & Drew builds stake in Ferranti

By Hugo Dixon

PHILIPS & DREW Fund Management has built up a stake of about 5 per cent in Ferranti International Signal, the defence electronics group.

The stake, to which Philips & Drew has added during the past few weeks, makes the fund management group one of Ferranti's largest shareholders. The only other shareholder with a stake of an equivalent size is thought to be Guardian Royal Exchange.

Philips & Drew would not comment officially. However, privately an executive said the company saw Ferranti's shares selling cheaply and decided to add to its stake as a pragmatic investment.

The group has not yet formed a firm view on what the best industrial solution for Ferranti's problems would be, although it will have an influential voice in the outcome. The defence electronics group, which is the victim of a £215m alleged fraud, is examining various ways of shoring up its financial position.

A full takeover by British Aerospace and Thomson, the French electronics group, is considered to be the most likely outcome. However, Ferranti is still talking to a number of other potential suitors about deals that fall short of a complete takeover.

Drayton nav rise

Drayton Consolidated Trust had a net asset value of 700p at September 30, a 17 per cent rise on 600p previously. Net revenue was £5.2m (£4.51m). Earnings were 15.01p (13.03p) and the final dividend is 11.25p to make 15p (13.2p).

Concert party controls 29.6% stake in Conrad Continental

By Clay Harris

MR AMER MIDANI, a director of Manchester United football club, is the leading shareholder in a concert party which has increased its stake in Conrad Continental, a supplier of fashion accessories and leather garments, to 29.63 per cent.

The investors said they planned to expand Conrad's core businesses and to expand into financial services and leisure.

Through Liechtenstein-based West Anglia Establishment, Mr Midani has a financial interest in 2.02m of the more than 3.11m shares held by the concert party.

Among the other members are Mr Andrew Crewe, a Conrad director who assumes responsibility for garment and retail activities; his brother, Prof Ivor Crewe, the TV election night pundit; and Mr Nigel Burrows, Mr Midani's fellow director and shareholder at Manchester United.

Mr Burrows has joined the Conrad board as a non-executive director. Mr Michael Edelson, another member of the concert party, will be executive director. Mr David Samuels and Mr Brian Samuels have resigned from the board. Lord Barnett, the former

Labour minister, remains non-executive chairman. Mr Midani, who owns 15 per cent of Manchester United, is not joining Conrad's board at present.

Conrad, formerly Top Value Industries, had a market value of £9.4m at yesterday's closing price of 71p, up 1p, in the six months to June 30, it reported pre-tax profits of £303,000 on turnover of £5.65m.

The latest activity in its shares follows the sale of a 10.87 per cent stake by Mr Max Lewinsohn, former deputy chairman of Dominion International.

SHARE STAKES

THE following changes in company share stakes have been announced recently: Abtrust New Dawn: Pinewest Nominees has acquired 1.73m ordinary, lifting its total holding to 3.13m (10.45 per cent).

BHH Group: Target Financial authorised unit trust is beneficially entitled to 1.57m ordinary (5.22 per cent), registered in the name of Midland Bank Trust Company. Target Life Assurance is beneficially entitled to 400,000 ordinary (1.12 per cent), registered in the name of Midland Bank Trust.

Caspen Oil: The Bank of England Pension Fund has acquired 450,000 ordinary and now holds 2.06m (6.1 per cent).

Domestic & General Group: Mr Howard James, director, disposed of 40,000 ordinary (0.59 per cent) at 25p per share, reducing his total stake to 364,591 (5.38 per cent).

Frogmore Estates: Markheath Securities has acquired 35,000 ordinary to lift its holding to 9.2m (23.1 per cent).

Gibbs & Dandy: Hanover Nominees hold, on behalf of Mars Security, 339,107 non-voting A ordinary (6.18 per cent).

Greyfriars Investment Company: Target Equity authorised unit trust is beneficially interested in 700,000 ordinary (10 per cent).

Keystone Investments: Equitable Life Assurance Society has acquired 100,000 ordinary to bring its total holding to 1.06m (7.36 per cent). The shares are registered in the names of Equitable Life (900,000) and University Life Assurance Society (145,200).

Kleinwort Overseas Investment Trust: Kleinwort Benson Investment Trust has disposed of 1m ordinary (1.24 per cent), reducing its total holding to 8.96m (11.17 per cent). The shares are registered in the name of Frank Nominees.

Leisure Investments: Ritz Palace of Varieties acquired 100,000 ordinary at 40p per share, bringing its total stake to 11.27m (7.33 per cent).

MMT Computing: NM Life has purchased 55,000 ordinary and now has a notifiable interest of

913,130 (8.73 per cent). Normans Group: Danae Investment Trust has acquired 20,000 5 per cent cumulative preference shares (19.05 per cent).

Oceana Consolidated: Mr DHS Howard, director, acquired 5,000 ordinary at 39p per share and 10,000 ordinary at 44p and now holds 1.9m (24.3 per cent).

Park Food Group: The Johnson Foundation, a charitable trust, has acquired 2,500 ordinary at 230p per share. Mr Peter Johnson, managing director, is a trustee.

Polypipe: Mr K McDonald, director, has acquired 50,000 ordinary (0.07 per cent) at 160p each. His total beneficial holding is 21.27m (31.45 per cent).

Singer & Friedlander: AN Solomons, AGO Walker and LA Coppel, directors, have each acquired 29,470 ordinary at 65p per share. J Hodson, director, is interested in said shares as a potential discretionary beneficiary under the employee trust. Options have been granted over a total of 1.71m ordinary. Figure includes option over 238,055 ordinary granted to J Hodson.

Platon back in black with £165,000

By Jane Fuller

PLATON International, the USM-traded instrumentation company, has returned to profit after two loss-making years.

In the six months to September 30, the pre-tax profit was £165,000 compared with a loss of £134,000 in the same period of 1987-88.

Turnover was reduced to £2.54m (£2.77m) through the sale of poorly performing businesses.

The recovery follows the company's return to its core

activity - selling instruments which measure and control the rate of flow of gases and liquids through pipes - after an attempt to diversify into electronics and telecommunications.

A deficit of £367,000 in 1987-88 prompted Platon to cut costs, including shedding 20 per cent of its staff, and to sell property and loss-making businesses.

Early this year, it raised £1.28m via an open offer. This helped to reduce gearing from

140 per cent in March to 115 per cent.

Mr Edwin Monger, finance director, said the proposed sale and leaseback of the Basingsheke headquarters, for which planning permission had been obtained for an extension, could wipe out the debt which stood at £1.8m at the end of September.

A surge in sales had also played a role in the turnaround, he said.

"The increase in turnover on continuing activities was

nearly 13 per cent for the six months, while profits had multiplied from only £14,000. The value of orders had increased to £1m.

With subsidiaries in France, West Germany and Belgium, the company planned to expand its European sales and distribution network. At present roughly 20 per cent of turnover came from overseas activities, he said. Earnings per share were 2.2p compared with a loss of 3.4p. Again there is no interim dividend.

Merlin in profit after Australian reorganisation

MERLIN INTERNATIONAL Properties is back in the black with pre-tax profits of just over £1m for the year to June 30 1989, after revealing a pre-tax loss of £2.48m at the halfway stage.

In the preceding year the company made profits of £8.1m before tax.

The problem in the year under review has been with reorganisation costs and asset disposals in Australia.

There was also a high non-recurring tax charge of £1.96m (£2,000) which left losses per share of 13.7p (earnings of 18.7p).

Mr Peter Jevans, chairman, said that the completion of the

Australian asset disposal programme would mean that the objectives of lessening its exposure to uncertain Australian market conditions and reducing the borrowings and overheads to achieve acceptable on-going gearing during a period of high interest rates.

The board was confident that it had now overcome its problems and could look forward to rapid growth and a profitable future.

Turnover rose 70 per cent to £35.4m (£19.73m) but operating profit fell from £3.14m to £1.9m.

A final dividend of 2p (4p) is proposed.

ABB Kent takes control of West German group

By Andrew Hill

ABB KENT (Holdings), one of the world's largest manufacturers of flow meters, has bought control of a West German maker of water meters for DM10.4m (£3.57m) cash.

Earlier this year ABB Kent, 55 per cent of which is owned by ASEA Brown Boveri, the Swiss/Swedish engineering group, expanded into Spain with a £10.4m cash acquisition.

The group has now bought 51 per cent of Andrae Leonberg, which makes water meters and related electronic accessories near Stuttgart and also owns an assembly plant in

Singapore.

Andrae Leonberg shareholders are to keep a minority interest of 25 per cent in the combined business, and ABB Kent will have a buy-out option of DM8m which it can exercise before the end of 1992.

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7 November 1989

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CUSIP 449803AB1

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Notice is hereby given that IPF (Illinois Power Finance) Company NV has elected to redeem all of its outstanding 12 1/4% Guaranteed Debentures Due 1992 (the "Debentures") on December 1, 1989, at 101 1/4% of their principal amount (the "Redemption Price") together with accrued interest to such date. Coupons maturing on or prior to April 1, 1989, should be detached and presented for payment in the usual manner.

On December 1, 1989, the Debentures will become due and payable at the Redemption Price, and interest thereon shall cease to accrue on and after said date. Registered Debentures only may be surrendered for payment at the Redemption Price at the New York office of Bankers Trust Company as follows:

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New York, NY 10008

Registered Debentures may, and Bearer Debentures, together with all coupons appertaining thereto, maturing on or after April 1, 1990, (falling which the amounts of any missing unexpired coupons will be deducted from the payment) are to, be surrendered for payment at the Redemption Price at one of the following offices of the paying agents located outside the United States at the main offices of Bankers Trust Company in London, Bankers Trust GmbH in Frankfurt am Main, Swiss Bank Corporation in Basle, Bankers Trust Company in Paris, Banque Indosuez Belgique (formerly Banque de Benelux S. A.) in Brussels or Banque Indosuez Luxembourg in Luxembourg.

Interest accrued from April 1, 1989, to December 1, 1989, will be U.S. \$83.33 per U.S. \$1000 Debenture.

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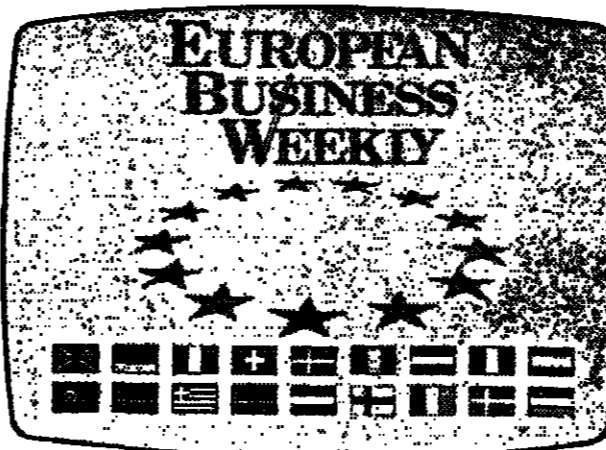
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FT LAW REPORTS

Littlebrook nomination was made in time

THE MATHRAKI Queen's Bench Division (Commercial Court); Mr Justice Evans; October 26 1989

A SELLER'S nomination of cargo in a pre-1988 Littlebrook oil futures chain was notified "three working days before the end of the delivery period" if notified before midnight London time three calendar working days before the end of that period; and there was no trade custom or practice which implied a contractual term that notification was to be made before close of normal office hours at 5 pm.

Mr Justice Evans so held when giving judgment for the plaintiff seller, Vitol SA, on its claim against the buyer, Phibro Energy SA, for repudiation of a futures oil sale contract in the Littlebrook market.

HIS LORDSHIP said that the case was concerned with chain contracts for the sale and purchase of future cargoes of high sulphur fuel oil complying with what were called the "Littlebrook" specifications.

On October 16 1987 Vitol contracted to sell 20,000/25,000 metric tons of the Littlebrook product to Phibro for delivery cif "during the period November 1 to 15 1987" at \$103 per metric ton "basis cif Littlebrook".

The terms of the contract were not in any standard form. Clause D provided "Sellers to give the buyers minimum three working days notice of nomination".

The cargo nominated was loaded on board the Mathraki. There were 31 contracts in the chain. Vitol received a nomination from its sellers at 1658 London time on November 10, and passed it on to Phibro by telex timed 1730/1732 the same day.

Phibro rejected the notice. It contended that the rejection was justified on the ground *inter alia* that Vitol failed to

give "minimum three working days notice of nomination" as required by clause D.

The issue was whether the nomination was in time. November 10 was a Tuesday. The notice was sent and received after 1700 but before midnight.

Vitol contended the nomination was valid because it was given before midnight on November 10, leaving three calendar working days before the end of the delivery period.

Phibro said that on its true construction or by reason of implied terms, the contract required notice to be given before 1700, which was the end of the working day.

The suggested implied terms were (1) that a notice given after 1700 London time was deemed not to be given until 0900 the next working day; and (2) that three working days meant three 24 hour days from the time the notice was given, excluding any calendar days which were not working days.

Thus, it was argued, the three working days from 0900 on Wednesday, November 11 ran to 0900 on Monday November 16 (by excluding Saturday and Sunday), which was outside the delivery period.

In the *Vancouver Strikes case (1963) AC 697* the House of Lords held that "working day" normally meant a calendar day which was a day of work as distinguished from a holiday.

That was different from a "conventional" day which might mean a 24 hour period running from a particular time on one day until the same time on the next.

It was also different from a "working day" if used to mean the part of a calendar day during which work was done. "Normal office hours" in London could be expected to be limited to 9am to 5pm.

On the express terms of the contract the meaning of "three working days" was clear. It meant three calendar working

days, as the House of Lords held in a different context in the *Vancouver Strikes case*, and as Vitol contended.

The alleged implied terms on which Phibro relied arose "from customary practice adopted and accepted" in the Littlebrook market, or were "customs of the market," or were necessary in order to give business efficacy to the contract.

It frequently occurred that nominations were made, received and acted on after 1700 London time. The evidence therefore did not support a contention that a 1700 deadline was necessary to make the contracts work.

The real issue was whether the evidence established a customary practice or custom of the trade. Both Vitol and Phibro were active traders in the oil market generally and were recognised players in the Littlebrook market. Neither was ignorant of its trade practices.

In those circumstances, the question was whether there was a "uniform... practice" so well-defined and recognised that contracting parties must be assumed to have had it in their minds when they contracted" (see *For-Bourne v Vernon 10 TLR 648*).

In that sense "customs of the trade" meant usages tacitly incorporated in the contract on the ground that the parties must be presumed to have contracted with reference to such customs (*Scrutton on Charterparties 12th ed art 9*). Phibro's witnesses said that by "custom of the trade" at October 1987, nominations under Littlebrook contracts must be made between 0900 and 1700 London time on a working day. A later nomination was deemed to be received only at 0900 the next working day.

Vitol's expert witnesses denied that any such custom or trade practice existed at any material time.

The mere existence of those

divergent opinions enabled Vitol to submit that the alleged practice or usage did not exist.

That contention had considerable force, but the court preferred to base its conclusion that no such usage did exist on wider grounds.

All the witnesses agreed that trading in fuel oil futures on Littlebrook terms began in late 1986/early 1987, and had developed since then. There were now standard terms for Littlebrook fuel oil contracts, published by Anro Oil Ltd.

The proposed Anro terms published in November 1987 defined "working day" as a 0900 to 1700 calendar day London time, but provided a "failsafe machinery" by which if no timely nomination was made by 1700 on the last applicable working day the seller was allowed until 1800 on that day to confirm it had a valid contract for the purchase of fuel oil on terms corresponding to the on-sale.

In December 1988 a formal edition of Anro's conditions of Sale was published. The failsafe mechanism was continued, extended until 2000 on the last applicable working day.

The failsafe provisions reflected a possible inequity resulting from the imposition of a strict 1700 deadline. Without them a purchaser might receive a nomination seconds before 1700, so that he had insufficient time to pass it on as seller.

The failsafe provisions allowed him to continue. He had made the necessary contractual arrangements, even if his actual nomination was late. Without it individual members of a chain risked being squeezed in that inequitable way whenever the market price of the oil fell below contract prices.

The evidence generally showed that when a nomination was received after 1700 London time, the buyer accepted it under protest, then

passed it on to his buyer.

If it was not accepted by the eventual buyer some form of compromise was negotiated, because it was usually in all parties' interests that the contracts should be performed.

The present dispute arose because, it was said, the end buyer was in financial difficulties, which no doubt explained why it took advantage of a large fall in the market.

That did not seem to be the stuff of which an established trade practice was made.

Apart from a general recognition of 1700 as the close of normal office hours, the picture was one of traders working into the evening, accepting and giving notices for as long as they were in their offices, with considerable uncertainty as to what their legal rights and obligations were if a nomination was received and passed on after the "official" close of business.

An additional reason for declining to hold there was a custom of the alleged kind, was that the practice, if there was one, did not extend to any failsafe provisions. When the Anro terms were adopted, they included the safeguard against possible harsh consequences of a rigid time limit applying to all the contracts in a chain. That suggested that a time limit without the safeguard was not acceptable to traders at the material times.

Phibro failed to establish the implied terms on which it relied. The express terms of the contract permitted a nomination until midnight November 10.

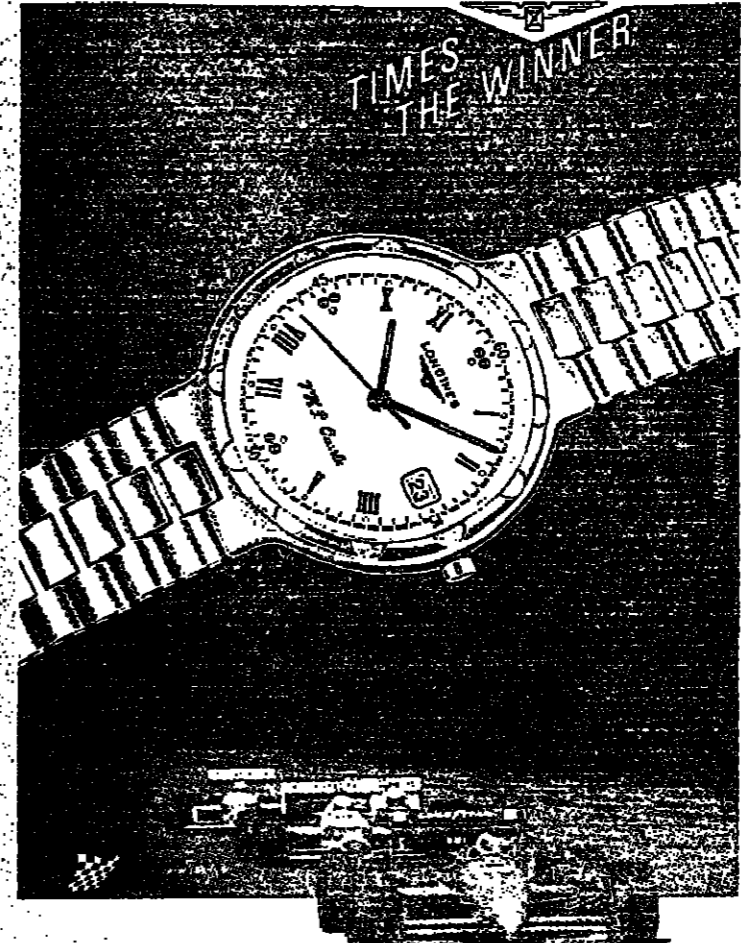
Phibro wrongly repudiated the contract. Vitol accepted that repudiation, and was entitled to recover damages. Its claim succeeded.

For Phibro: Stephen Tomlinson QC and Richard Southern (Clifford Chance)

For Vitol: Michael Dean QC and Stephen Ruttle (Ince & Co)

Rachel Davies Barrister

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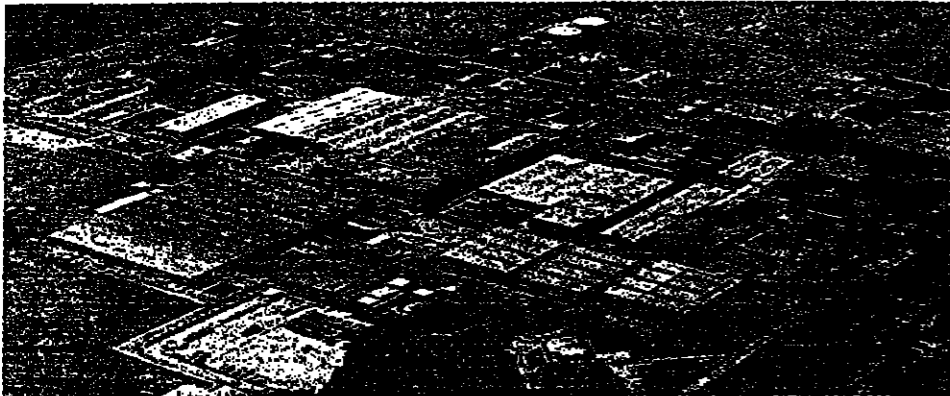
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- ★ Raw-white and polymer-dyed staple fibres and tops
- ★ Polyester P.O.Y. (Pre-Oriented Yarn)
- ★ Raw-white and polymer-dyed filament yarns
- ★ Raw-white and dyed textured yarns
- ★ Twisted filament and textured yarns. Also fancy yarns
- ★ D.M.T. (Dimethyl Terephthalate)
- ★ Filament - Grade Polyester-chips
- ★ Bottle-grade P.E.T. Chips
- ★ Polyester Non-woven for beddings, geotextile and industrial usages.
- ★ P.E.T. Bottles & Jars

EXPORTS: SASA has regular and happy clients in: W. Europe, Middle-East, Africa, North America, Eastern Europe and Far-East.

60% of SASA's production is exported to 30 countries throughout the world.



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Phones: (71) 280776 - (71) 280888
Fax: (71) 281066
Tlx: 63880 - 63892 adsa TR (PBX)

London Office in U.K.:
EXSA (UK) Ltd, 29, Marylebone Road
LONDON NW1 5JX
Phone: 01 - 487 3989
Fax: 01 - 487 5179
Tlx: 26 58 05 exsawk-g

Swissair Customer Portrait 56: Peter Bally, hotelier, Vitznau, photographed by Marc Schmid and André Roth.



COMMODITIES AND AGRICULTURE

Chilean mine strike threat sparks copper supply fears

MINERS AT Chuquibambilla, Chile's largest copper mine, have voted to strike if the military Government passes a controversial law that reorganises the management of Codelco...

CODELCO IS the world's biggest copper producer and has the capacity to produce about 850,000 tonnes of refined copper a year...

Venezuela's oil quota setback

VENEZUELA HAS failed in its efforts to have a substantial portion of its liquid hydrocarbon production classified as condensate...

simple because the disposition of the condensate production issue could condition Venezuela's response to proposals for a reallocation of production quotas...

Another 5-year term agreed for jute pact

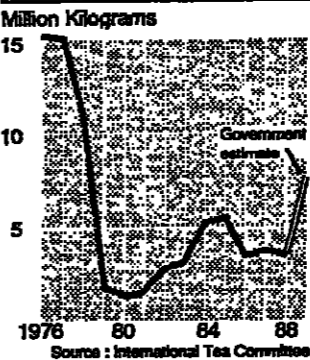
JUTE PRODUCING and consuming countries have approved a new five-year international Jute Agreement...

One of the only innovations is a decision to promote jute as an environment-friendly, because it is a renewable resource and is biodegradable...

Uganda blends tea with technology Julian Ozanne on mechanised efforts to revive a war-torn industry

AT FIRST sight it looks like a huge, square orange and silver box rolling silently through the gently sloping bright green tea gardens...

Ugandan Tea Production



TEA prices in London fell for the second week in succession yesterday in sympathy with a sharp decline at the Mombasa auction...

Saudi find eases light crude worries

A DISCOVERY of light, low-sulphur crude has been made in the centre of Saudi Arabia, according to the Saudi Arabian Oil Company (Aramco)...

exports mainly heavier, high sulphur crudes which have lower yields of valuable light petroleum products such as petrol and diesel fuel than North Sea or Texan light crudes...

Sugar market 'due for upward jolt'

THE SUGAR market could experience the kind of upward jolt it needs to break through its current doldrums...

Pakistan plans gold relaxation

PAKISTAN IS to relax regulations on gold imports, allowing gold to be brought into the country without a quota increase...

LONDON MARKETS

Table of London Market prices for various commodities including Nickel, Cocoa, Coffee, and Oil. Columns include Commodity, Price, and Change.

COCOA - London FOX

Table of Cocoa prices for various grades and origins.

COFFEE - London FOX

Table of Coffee prices for various grades and origins.

SUGAR - London FOX

Table of Sugar prices for various grades and origins.

CRUDE OIL - BPE

Table of Crude Oil prices for various grades and origins.

WHEAT - BPE

Table of Wheat prices for various grades and origins.

TEA

THERE WERE 20,478 packages on offer at this week's auction, including 2,200 cistrons...

LONDON METAL EXCHANGE

Table of London Metal Exchange prices for various metals.

POTATOES - BPE

Table of Potato prices for various grades and origins.

SOYABEAN MEAL - BPE

Table of Soyabean Meal prices for various grades and origins.

PREMIUM FUTURES - BPE

Table of Premium Futures prices for various commodities.

GRAINS - BPE

Table of Grain prices for various grades and origins.

WHEAT - BPE

Table of Wheat prices for various grades and origins.

WHEAT - BPE

Table of Wheat prices for various grades and origins.

WORLD COMMODITIES PRICES

Table of World Commodity Prices for various commodities including Metals, Grains, and Oils.

US MARKETS

IN THE METALS, slow, two-sided activity continued in the gold, silver and platinum markets...

NEW YORK

Table of New York market prices for various commodities.

PLATINUM 50 TROY OZ.

Table of Platinum prices for various grades and origins.

SILVER 5,000 TROY OZ.

Table of Silver prices for various grades and origins.

TRADING OFFERS

Table of Trading Offers for various commodities.

REUTERS

Table of Reuters market data for various commodities.

Chicago

Table of Chicago market prices for various commodities.

SOYABEAN 5,000 BU.

Table of Soyabean prices for various grades and origins.

HEATING OIL 42,000 US GALLONS

Table of Heating Oil prices for various grades and origins.

SOYABEAN MEAL 60,000 BU.

Table of Soyabean Meal prices for various grades and origins.

MAIZE 5,000 BU.

Table of Maize prices for various grades and origins.

WHEAT 5,000 BU.

Table of Wheat prices for various grades and origins.

LIVE CATTLE 40,000 LB.

Table of Live Cattle prices for various grades and origins.

LIVE HOGS 30,000 LB.

Table of Live Hogs prices for various grades and origins.

PORK BELT 40,000 LB.

Table of Pork Belt prices for various grades and origins.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your Unit Trust Code Booklet ring the FT Cityline help desk on 01-325-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abstract Management Ltd, and others, including their respective managers and details.

Table listing unit trusts under the heading 'Backstopper Management Co Ltd' and other categories, detailing trust names and managers.

Table listing unit trusts under the heading 'Eagle Star Unit Trusts' and other categories, providing details on trust structures and managers.

Table listing unit trusts under the heading 'Global Asset Management' and other categories, detailing investment strategies and managers.

Table listing unit trusts under the heading 'Lloyds Unit Trusts' and other categories, providing information on trust performance and managers.

Table listing unit trusts under the heading 'Midland Unit Trusts' and other categories, detailing trust objectives and managers.

Table listing unit trusts under the heading 'Prudential Unit Trusts' and other categories, providing details on trust assets and managers.

Table listing unit trusts under the heading 'Scottish Widows' and other categories, detailing trust offerings and managers.

GUIDE TO UNIT TRUST PRICING. This section explains the methodology for unit trust pricing, including details on net asset value, unit price, and the impact of charges and expenses.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for company name, unit price, and other financial metrics. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

Main table containing unit trust information with columns for Name, Price, and other details. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'GUERNSEY (SIB RECOGNISED)'. The table lists numerous trusts such as 'Prudential Life Assurance Co Ltd', 'Scottish Widows', and 'Royal Bank of Canada Funds'.

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

LUXEMBOURG (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'ISLE OF MAN', 'LUXEMBOURG', and 'OTHER OFFSHORE FUNDS'.

LONDON SHARE SERVICE

Table of London Share Service, listing various funds and shares with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'BRITISH FUNDS', 'BRITISH FUNDS - Contd', 'LOANS', 'FOREIGN BONDS & RAILS', and 'AMERICANS'.

Table of Money Market Trust Funds and Bank Accounts, listing various financial products with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'Money Market Trust Funds' and 'Money Market Bank Accounts'.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and roads stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd

Table listing drapery and stores stocks with columns for Stock, Price, and other financial metrics.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.) - Contd

Table listing industrial stocks with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.) - Contd

Table listing industrial stocks with columns for Stock, Price, and other financial metrics.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and other financial metrics.

ELECTRICALS

Table listing electrical stocks with columns for Stock, Price, and other financial metrics.

FOOD, GROCERIES, ETC

Table listing food, groceries, and other stocks with columns for Stock, Price, and other financial metrics.

HOTELS AND CATERERS

Table listing hotels and caterers stocks with columns for Stock, Price, and other financial metrics.

INSURANCES

Table listing insurance stocks with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.)

Table listing industrial stocks with columns for Stock, Price, and other financial metrics.

BANKS, HP & LEASING

Table listing bank, HP, and leasing stocks with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for Stock, Price, and other financial metrics.

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INDUSTRIALS (Miscel.)

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BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for Stock, Price, and other financial metrics.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and other financial metrics.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-4128

LEISURE table with columns for Stock, Price, % Chg, Div, Yield, P/E

PAPER, PRINTING, ADVERTISING - Contd table with columns for Stock, Price, % Chg, Div, Yield, P/E

TEXTILES - Contd table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRUSTS, FINANCE, LAND - Contd table with columns for Stock, Price, % Chg, Div, Yield, P/E

OIL AND GAS - Contd table with columns for Stock, Price, % Chg, Div, Yield, P/E

MINES - Contd table with columns for Stock, Price, % Chg, Div, Yield, P/E

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, % Chg, Div, Yield, P/E

PROPERTY table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRANSPORT table with columns for Stock, Price, % Chg, Div, Yield, P/E

TOBACCO table with columns for Stock, Price, % Chg, Div, Yield, P/E

OVERSEAS TRADERS table with columns for Stock, Price, % Chg, Div, Yield, P/E

THIRD MARKET table with columns for Stock, Price, % Chg, Div, Yield, P/E

COMMERCIAL VEHICLES table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRUSTS, FINANCE, LAND table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRUSTS, FINANCE, LAND table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRUSTS, FINANCE, LAND table with columns for Stock, Price, % Chg, Div, Yield, P/E

PLANTATIONS table with columns for Stock, Price, % Chg, Div, Yield, P/E

MINES table with columns for Stock, Price, % Chg, Div, Yield, P/E

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, % Chg, Div, Yield, P/E

SHOES AND LEATHER table with columns for Stock, Price, % Chg, Div, Yield, P/E

SHOES AND LEATHER table with columns for Stock, Price, % Chg, Div, Yield, P/E

SHOES AND LEATHER table with columns for Stock, Price, % Chg, Div, Yield, P/E

SOUTH AFRICANS table with columns for Stock, Price, % Chg, Div, Yield, P/E

SOUTH AFRICANS table with columns for Stock, Price, % Chg, Div, Yield, P/E

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, % Chg, Div, Yield, P/E

TEXTILES table with columns for Stock, Price, % Chg, Div, Yield, P/E

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OIL AND GAS table with columns for Stock, Price, % Chg, Div, Yield, P/E

OIL AND GAS table with columns for Stock, Price, % Chg, Div, Yield, P/E

REGIONAL & IRISH STOCKS table with columns for Stock, Price, % Chg, Div, Yield, P/E

TRADITIONAL OPTIONS table with columns for Stock, Price, % Chg, Div, Yield, P/E

Regional & Irish Stocks section with detailed notes and company lists.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling advance

DEMAND FOR the dollar increased ahead of the US Treasury's programme of debt auctions, but the failure by Congress to agree on a rise in the debt limit led to the postponement of yesterday's bill auction. The total \$56bn of securities scheduled for sale in this week's five auctions is now unlikely to be completed until next week, and this tended to limit the dollar's advance.

It was a day of narrow range trading in Europe for the dollar, with underlying sentiment supported by stronger than expected September US employment data last Friday. On the other hand there was some concern that a weakening of share prices on Wall Street could undermine the dollar's firmer tone.

The dollar closed towards the top of the day's range in Europe, at DM1.8520, compared with DM1.8480 on Friday, and also rose to ¥143.65 from ¥143.10; to SFr1.6240 from SFr1.6210; and to PFr3.3775 from PFr3.3775. On Bank of England figures the dollar's index rose to 69.9 from 69.7. Sterling showed no reaction to the continuing political debate involving the future of Mrs Margaret Thatcher as UK Prime Minister after the resignation of Mr Nigel Lawson as

Chancellor of the Exchequer. At present it seems the pound can shrug off any political uncertainty, at least until there is more economic information. No economic news is imminent, but nervousness surrounding sterling is likely to increase as the month progresses. Data on UK retail sales, average earnings and retail prices will be published next week, but the next difficult hurdle may not be faced until the trade figures on November 30.

Dealers noted that high London interest rates continue to support the pound, making it expensive to run short positions against the currency. This means speculators are wary of attacking sterling, unless there is the prospect of a sudden weakening, which seems unlikely in the immediate future, unless there are fresh developments on the political front.

Sterling rose 85 points to \$1.5795 and climbed to

DM2.8550 from DM2.8025. The pound also advanced to ¥207.00 from ¥224.75; to SFr2.5650 from SFr2.5475; and to PFr3.9150 from PFr3.8450. According to the Bank of England sterling's index rose 0.5 to 83.6. The strength of the dollar pushed the D-Mark down, easing pressure on the weaker members of the European Monetary System. The weakest placed Danish krone remained well within its cross rate limit against the D-Mark, but it is noticeable that the West German currency and the Dutch guilder are much stronger than the group including the krone, Italian lira and French franc. The franc was a little firmer against the D-Mark yesterday, underpinned by speculation about higher French interest rates.

The Australian dollar gained ground in London, rising to 78.15 US cents from 78.00 cents at the Sydney close. Trading was quiet in Sydney.

EURO-CURRENCY INTEREST RATES

Table with columns: No. 6, Start, 7 days, 1 month, 3 months, 6 months, 1 year. Rows include Sterling, US Dollar, Canadian Dollar, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: No. 6, Day's spot, One month, Three months, Six months, One year. Rows include US, Canada, Japan, etc.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: No. 6, Day's spot, One month, Three months, Six months, One year. Rows include UK, France, Germany, etc.

EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, Rate, % change. Rows include Belgium, Denmark, France, etc.

EXCHANGE CROSS RATES

Table with columns: No. 6, £, \$, DM, Yen, Ffr, Sfr, Hk\$, C\$, B\$. Rows include Argentina, Brazil, Canada, etc.

FINANCIAL FUTURES AND OPTIONS

Table with columns: Strike, Call, Put, etc. Rows include Liffe Long Call Futures Options, Liffe US Treasury Bond Futures Options.

Table with columns: Strike, Call, Put, etc. Rows include Liffe Euro Options, Liffe Euro Dollar Options.

Table with columns: Date, Last, High, Low, Prev. Rows include US Treasury Bills, Japanese Yen.

Table with columns: Date, Last, High, Low, Prev. Rows include Swiss Franc, Standard & Poor's 500 Index.

Table with columns: Date, Last, High, Low, Prev. Rows include Philadelphia SE 500 Options, European Options Exchange.

Table with columns: Date, Last, High, Low, Prev. Rows include ABN, Adair & Company, Allied Irish Bank.

Table with columns: Date, Last, High, Low, Prev. Rows include Bank of America, Bank of Canada, Bank of India.

Table with columns: Date, Last, High, Low, Prev. Rows include Bank of Scotland, Bank of West Africa, Bank of West Indies.

Table with columns: Date, Last, High, Low, Prev. Rows include Bank of Zambia, Bank of Zimbabwe, Bank of East Africa.

Table with columns: Date, Last, High, Low, Prev. Rows include Bank of Mauritius, Bank of Malawi, Bank of Sierra Leone.

IN NEW YORK

Table with columns: No. 6, Last, Previous. Rows include 1 month, 3 month, 6 month, 12 month.

STERLING INDEX

Table with columns: No. 6, Last, Previous. Rows include 8.30 am, 9.00 am, 10.00 am, etc.

CURRENCY RATES

Table with columns: No. 6, Bank rate, Special, European. Rows include Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: No. 6, Bank of England, Morgan. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: No. 6, £, \$, DM, Yen, Ffr, Sfr, Hk\$, C\$, B\$. Rows include Argentina, Brazil, Canada, etc.

MONEY MARKETS

London rates ease

SHORT TERM interest rate had a slightly easier tone in London yesterday, but trading was quiet, lacking incentives to move the market. There was no change in sentiment, and

UK clearing bank base lending rate 15 per cent from October 5.

Little reaction to news that UK retail sales rose a final, seasonally adjusted, 0.6 per cent in September, against an earlier provisional rise of 0.4 per cent. Dealers are waiting for guidance from the forthcoming Autumn Statement by Mr John Major, the UK Chancellor.

Three-month sterling interbank eased to 15 1/4-15 1/2 per cent from 15 1/2-15 3/4 per cent. On Liffe short sterling was firmer in subdued trading, with the December contract finishing slightly below the day's peak, at 85.10, compared with 85.00 on Friday.

The Bank of England initially forecast a credit shortage of £700m on the London money market, but revised this to £750m at noon, and to £800m in the afternoon. Total help of £708m was provided.

Before lunch the authorities bought £372m bills outright, by way of £1m Treasury bills in band 1 at 14 1/4 per cent; £2m bank bills in band 2 at 14 1/4 per cent; and £369m bank bills in band 2 at 14 1/4 per cent.

FT LONDON INTERBANK FIXING

Table with columns: Bid, Offer, Bid, Offer. Rows include 3 months US dollars, 6 months US dollars.

MONEY RATES

Table with columns: No. 6, Overnight, 7 days, 1 month, 3 months, 6 months, 1 year. Rows include Interbank Offer, Sterling, Local Authority Deposits.

LONDON MONEY RATES

Table with columns: No. 6, Overnight, 7 days, 1 month, 3 months, 6 months, 1 year. Rows include Interbank Offer, Sterling, Local Authority Deposits.

Treasury Bills (offer) one-month 14 1/4 per cent, three-month 14 1/4 per cent, six-month 14 1/4 per cent, one-year 14 1/4 per cent. Bank Bills (offer) one-month 14 1/4 per cent, three-month 14 1/4 per cent, six-month 14 1/4 per cent, one-year 14 1/4 per cent.

BASE LENDING RATES

Table with columns: Bank, Rate, Bank, Rate, Bank, Rate. Rows include ABN, Adair & Company, Allied Irish Bank, etc.

FINLAND

The Financial Times proposes to publish this survey on: 18TH DECEMBER 1989. For a full editorial synopsis and details of available advertisement positions, please contact: CHRIS SCHAANNING OR GILLIAN KING on 01-873 3428 OR 4823 or write to him/her at: Number One Southwark Bridge London SE1 9HL.

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LEGAL NOTICES. PLAYTEX LIMITED. NOTICE is hereby given pursuant to Section 175 of the Companies Act 1985 ("the Act") that: 1. Playtex Limited ("the Company") has, by Special Resolution passed on 2nd November 1989, pursuant to Section 173 of the Act, approved a payment out of capital for the purpose of purchasing 1,500,000 Deferred Ordinary Shares of £1 each in issue of the Company.

WORLD ADVERTISING. The Financial Times proposes to publish this survey on: 4th December 1989. For a full editorial synopsis and advertisement details, please contact: NEVILLE WOODCOCK on 01-873 3365 or write to him at: Number One Southwark Bridge London SE1 9HL.

CROSSWORD. No. 7,083 Set by QUARK. 1 and 4 All go in one gate to get into school? (6,8). 2 Such people getting under car would be a bloomer (6). 3 Former building land said to cause stir (6). 4 Interruption to flow of work to be performed by one (7). 5 The sin of the receiver (7). 6 Leaves school for digs (6,2). 7 Trust need pond to be re-design (6,2). 8 Lady MC introduces first of comedians for a spot of business (8). 9 Almost exact summary (6). 10 Lady on river has that extra something (6). 11 Important document often seen in the tube? (6). 12 Signify a change of name (4). 13 Solution to Puzzle No. 7,082.

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WORLD STOCK MARKETS

Table of world stock markets including Australia, Canada, Germany, Italy, Sweden, and Japan. Columns include stock names, prices, and percentage changes.

Table of Canadian stock markets including Toronto and Montreal. Columns include stock names, prices, and percentage changes.

Table of financial indices including Dow Jones, Standard and Poor's, and various regional indices. Columns include index names, values, and percentage changes.

Table of Japanese stock markets including various Japanese companies and their stock prices.

Advertisement for Financial Times featuring a stylized 'FT' logo and the text 'See the world in a new light.' It includes a list of Tokyo stock prices and a subscription offer.

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, Close, and Change. Includes sub-sections for 'Continued from previous page' and 'AMEX COMPOSITE PRICES'.

NASDAQ NATIONAL MARKET

3pm prices November 6

Table of NASDAQ National Market prices with columns for Stock, High, Low, Close, and Change. Includes a section for 'Sales'.

AMEX COMPOSITE PRICES

4pm prices November 6

Table of AMEX Composite Prices with columns for Stock, High, Low, Close, and Change.

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Bearish benchmarks send Dow into sharp decline

WEAKNESS in the bond market and concern about the outlook for corporate earnings triggered selling of stocks yesterday which pushed the Dow Jones Industrial Average below 3,600, writes Janet Bush in New York...

with a record \$90m refunding and a \$100m cash management offering, as well as hefty weekly bill auctions. The equity market yesterday focused on the outlook for corporate earnings in view of a Wall Street Journal survey of the third quarter earnings of 645 large companies.

break of the negotiations. Ryder System rose 8 1/4% to \$22.4. The company revealed that Itel Corp had filed for Federal anti-trust clearance to buy a substantial block of its shares. Ryder said that it wanted to remain independent.

Interest rates compound nervous mood on bourses

GROWING concern about another rise in European interest rates, together with an early slide on Wall Street yesterday, compounded the nervous mood in continental bourses and sent shares down almost across the board, writes Our Markets Staff.

GREEK share prices plunged 9 per cent after the failure of the conservative New Democracy party to win an absolute majority in Sunday's elections. The stock market general index fell 47 to 478 after trading on Friday on expectations of a victory for the party, which would have heralded sweeping economic reforms.

rates would return to being among the lowest in the world. The Credit Suisse index eased 2.8 to 588.0 in light trading. MILAN featured the resumption of trading in Banca Nazionale del Lavoro (BNL) shares after a three-week hiatus. BNL closed at 1,244m, reported last Friday, its last official bid on September 5, when trading was suspended in connection with a scandal over \$3bn of unauthorised loans to Iraq by BNL's branch in Atlanta. The Consob regulatory agency had prohibited short-selling of the stock.

Top performers appear to lack conviction

MARKETS IN PERSPECTIVE. % change in local currency +/- 1 Week 4 Weeks 1 Year Start of 1989 % change in sterling +/- Start of 1989. Austria -0.09 -15.07 +57.32 +58.43 +76.90 +18.15...

THE behaviour of last week's two equity market winners - gold shares and UK stocks - is raising an eyebrow or two. The South African market led the world with a 7.6 per cent rise thanks to a sharp climb in the price of gold, which seems to run counter to moves by the leading economies to keep inflation under control.

Long weekend gives Nikkei no refreshment

JAPANESE investors returned from the three-day weekend in cautious and reluctant mood and share prices edged lower in quiet trading, writes Michiko Nakamoto in Tokyo.

been suffering since the involvement of former executives in the Renault share sale scandal and has taken a recent beating amid suggestions that it should be broken up. Tokyu Corp, the railway company which has led the market in its pursuit of stocks backed by speculative interest and property assets, was replaced by Hanyu, another railway company. Like Tokyu, Hanyu is the core company of a diversified group and has substantial land holdings along its rail lines.

ROUNDUP. WHERE markets rose in the Asia Pacific region yesterday, they seemed to need more than economic or corporate fundamentals on which to base their enthusiasm. HONG KONG enjoyed the best trading of the past two weeks as the Hang Seng index rose 16.33 to 2,758.12, in turnover which jumped to slightly over HK\$1bn from Friday's HK\$748m.

US and tomorrow she will launch the First PIMove Fund on the New York Stock Exchange. AUSTRALIA continued Friday's pattern of strength in golds and weakness elsewhere. The All Ordinaries index closed 0.2 lower at 1,696.3. Turnover slumped to 76m shares and A\$147m from 128m and A\$225m.

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